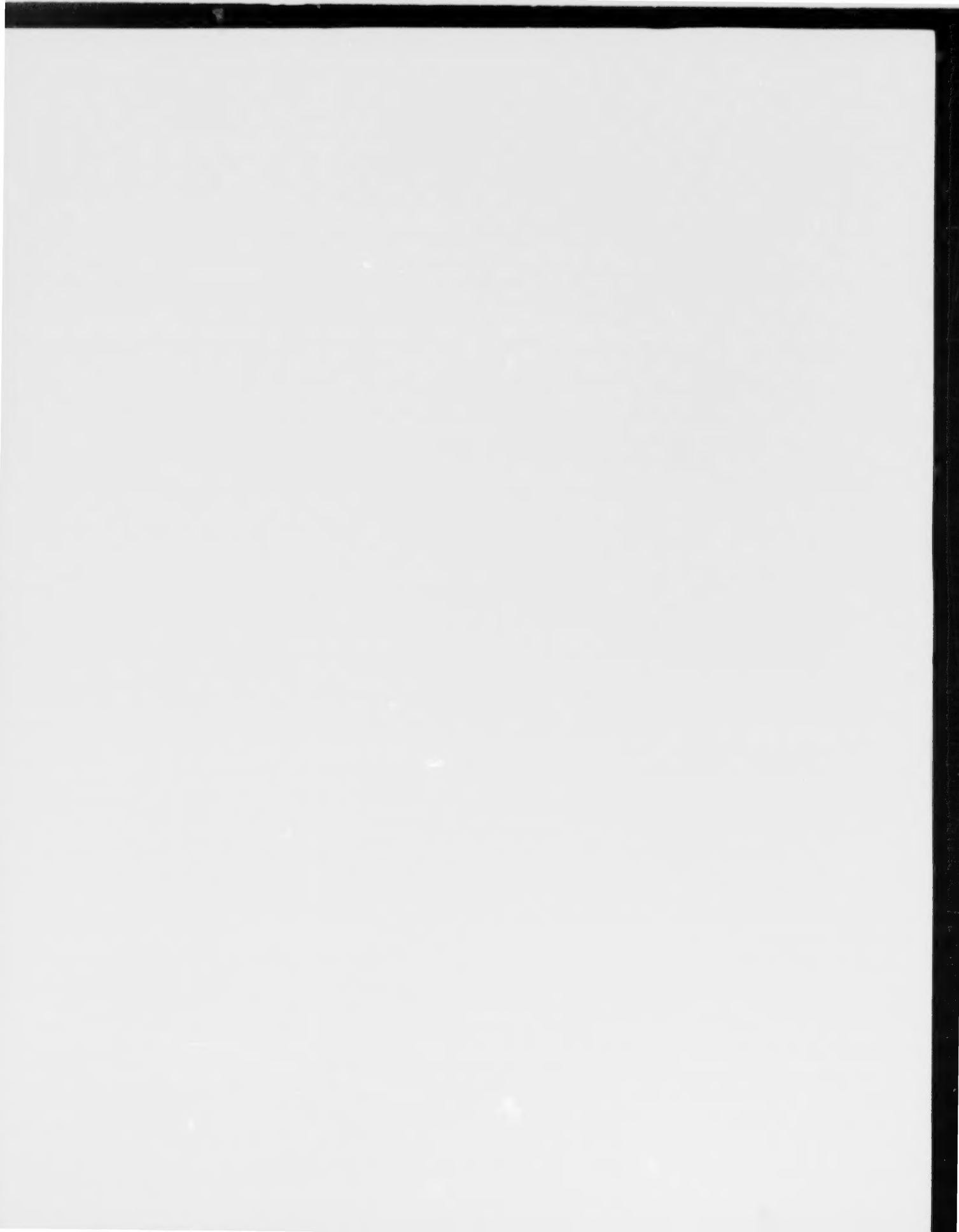


ENVIRONMENTAL SCAN



Royal Canadian Gendarmerie royale
Mounted Police du Canada

June 2002



Foreword

It is my pleasure to present the June 2002 edition of the RCMP's Environmental Scan. At this time each year, we take a fresh look at our global to local environment, highlight any new trends, and provide recent information on previous trends. Many of the themes presented in this scan have appeared in earlier documents - this is good news as it signals that we are tracking trends and not fads.

The format remains the same - a brief, user-friendly presentation of key global and domestic trends across seven dimensions - *demographics, society, economy, politics and governance, environment, science and technology and policing*.

We've drawn from a wide range of sources including, but not limited to:

- print media - newspapers, magazines and periodicals
- reports from such international organizations as the O.E.C.D., World Health Organization, the United Nations, World Trade Organization, etc.
- documents produced by think tanks in Canada and abroad
- publications from law enforcement agencies around the globe
- conference presenters
- government web-sites and publications
- radio and television programs
- our Divisions across the country



Royal Canadian
Mounted Police
Gendarmes royale
du Canada

Foreword ...

104-05571/

The events of September 11 continue to cast a long shadow and will impact upon our environment for some time to come. National security issues are high on the North American agenda, and given our proximity to the US, we cannot help but be affected by the directions they choose to pursue. For this reason, the final section of the scan has been expanded to look at policing and security issues with a particular emphasis on developments south of the border.

We continue to welcome input from contributors both within and outside the organization.

Respectfully submitted

Eva Kmiecic
Deputy Commissioner
Strategic Direction



Hearing from you

The RCMP's approach to environmental scanning is now two years old. In that time we have produced three principle Scans and four Scan Updates, including an expanded edition providing an analysis of the events of September 11, 2001.

We thought this would be a good opportunity to share some of the comments and feedback we have received about our process and our documents to date. Please note that while we have not identified the individuals who offered the comments, we have identified the organization in which they work.

Information is both relevant and useful. Sharing the Scan is an excellent example of Knowledge Management concepts, as well as horizontal collaboration. [Ontario Federal Council]

Glad to see that you dedicated a section to the environment. You are highlighting environmental concerns that my group is addressing within the RCMP. [Corporate Asset Management, RCMP]

These documents are extremely well done and very professional. I would also like to congratulate your organization on these publications, as they are interesting as well as being informative. [National Defense]

Is there a follow up document on the Scans? Something like an impact report that makes the connection between the trends identified, the implications for policing and the RCMP, and recommended strategies to deal with/minimize the implications? [North West Region, RCMP]

The Environmental Scan contains information that is both relevant and useful to the CCRA However, it is difficult to maintain a focus on the issues within the document due to the quantity and diversity of information provided... it is equally difficult to identify information that could be cut... [Canada Customs and Revenue Agency]



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du Canada

Hearing from you...

The document provides a useful and timely study of issues facing Canadians both at home and abroad. From a sustainable development perspective, it is particularly apt that the scan covers environmental, scientific, socio-economic and governance issues. In addition, some of the challenges put forth by the increasing pace of globalization are clearly identified. [Canadian International Development Agency]

There is no immediate or direct relevancy. It is certainly informative. There is little on organized crimel/or drugs. [Criminal Intelligence Directorate, RCMP]

Neatly summarizes the events of Sept 11th as well as the resulting after effects on a global scale. It is a thought-provoking document that details the forthcoming challenges for Canada. [Canadian Environmental Assessment Agency]

A valuable tool which helps the RCMP understand its environment and strategically anticipate the activities that will allow the organization to establish its future direction. Secondly, trends identified fully corroborate the importance of partnerships and integrated police services. [Central Region, RCMP]

The Environmental Scan 2001 contains useful information that will inform and complement the approach the Department of Indian Affairs and Northern Development is pursuing for its particular mandate while contributing to others... We offer a suggestion: that Canada's Aboriginal population be a featured section in a future Environmental Scan... [Department of Indian Affairs and Northern Development]

I congratulate you on an excellent product that continues to be highly relevant to our needs in the field. [E Division, Burnaby Detachment, RCMP]

The RCMP Scan can be considered the arch-type of environmental scans. [Privy Council Office]

Hearing from you

RCMP Environmental Scan Evaluation Form

We need your feedback! Please help us to ensure the Environmental Scan contains relevant, accurate and useful information by taking a few moments to answer the questions below and either fax or e-mail them to the Strategic Policy and Planning Branch of the RCMP. Fax: (613) 993-4453 E-mail: tamara.candido@rcmp-qrc.gc.ca (internal feedback can be sent via the ROSS as well)

Do the Scans contain information that is relevant and useful to you?

Are there important issues and/or trends that we are missing?

Is the format logical and easy to follow? (How could it be improved?)

Additional Comments?

Thank you for your input!



Royal Canadian Mounted Police
Ottawa, Ontario

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Demographics

Summary

Shifts in demographic trends are gradual. While some trends such as urbanization and rural depopulation are global, others such as aging populations or youth bulges are particular to specific areas, with some of the major differences apparent between developed and less developed countries.

Results from Canada's 2001 Census provide an up-to-date view of trends and anomalies within the country and a basis for comparison to the rest of the world.

In this section

- population growth still an issue despite dropping fertility rates
- urbanization and rural depopulation – truly global trends
- aging developed world may be looking to young developing world for sustainability
- Census 2001 reveals global trends evident in Canada
- Canada slowest growing nation in NAFTA
- shifts in population have potential to deepen divide between urban/rural and Ontario/rest of Canada



Demographics – Global



- **fertility rates dropping – but it's too soon to declare an end to the population explosion**

- drop in fertility rates prompting debates about whether globe will experience a trend reversal from population growth to decline
- UN has revised projected global population for 2050 upwards by nearly .5 billion -- middle of the road prediction is still 9.3 billion people
- **fertility rates are dropping more quickly** than predicted in some regions (Asia & Latin America) and less quickly than predicted in others (West Asia & sub-Saharan Africa)
- **population declines are occurring** or predicted in some developed countries
 - Russia – 3 million fewer since 1992 – projections for 2055 are additional losses of between 60 to 90 million people
 - Japan – negative growth rate is expected by 2007
 - Germany – predicts a shrinkage of over 20 million people by 2050

The most painful aspect of the world's future demographic behaviour is likely to be international migration. ... until such time as the developing world is developed we face the distressing situation where the pressure from both legal and illegal migrants to enter the rich countries will be far greater than the numbers these countries are willing to admit.

– John C. Caldwell
The Contemporary Population Challenge
January 16, 2002

- **immigration has/will become major source of population growth for developed countries willing to open their doors**
- **competition for well-educated, skilled immigrants is escalating**
- **anti-immigrant sentiments may emerge/intensify – particularly in countries without an immigration tradition**

Demographics – Global ...



- **urbanization – a dominant global demographic trend**
 - 160,000 people move daily from rural to urban areas – close to 60 million annually
 - UN estimates current urban population at 2.9 billion - forecasts 5 billion by 2030
 - 83% of developed world will be urban by 2030
 - cities in less developed regions will grow fastest
 - least equipped to deal with increased populations
 - Asia and Africa likely to experience most rapid urbanization as they are currently the most rural
 - mega-cities (5 million +) will grow more slowly than smaller urban centres
 - continue to be located primarily in less developed countries (48 out of 58 by 2015)
 - 2000-2015 - cities of less than 500,000 will take in almost 45% of urban growth
 - 2007 – 1st time in history urban and rural populations will be equal in number
- **rural populations are declining worldwide**
 - negative rural growth rate expected in less developed regions by 2025
- **urban growth rate will continue to outstrip absorption capacity in less developed countries**
- **increased pressure on infrastructure, employment, housing, environment**
- **potential tensions between urban and rural sectors – rural needs/concerns overshadowed**



Demographics – Global ...



- **world has over 1 billion youths between 15-24**

- less developed regions will experience a dramatic increase over next 20 years
- UN predicts workforce will increase by 1 billion globally – from 3 to 4 billion by 2025
- 60% of population is under 25 years of age in Gulf Co-operation Council countries (Saudi Arabia, Oman, Yemen, United Arab Emirates and Kuwait)
 - workforce will double by 2020
 - unemployment rate among youth is climbing steeply – estimated at over 20% in Bahrain and 15% among Saudi males

Underemployed, urbanized young men are an especially volatile group that can be easily entrapped in organized crime or mobilized for violent political action – like terrorism.

~Thomas Homer-Dixon
The Globe and Mail
March 9, 2002

- **will economies in these countries have capacity to absorb large number of new entrants to the labour force?**
- **authoritarian regimes - pressured to democratize as youth seek political outlet**
- **Middle East poses conflicting opportunity/challenge – potential population source for immigrant seeking developed nations and a source of security concerns**

- **UN predicts 2 billion persons over 60 years of age by 2050**

- 1/3 of developed world and 8% of less developed world will be over 60 years
- world's median age will have increased by 10 years
 - Yemen has youngest population - average age of 15
 - Japan's is the oldest - average age of 41
 - 2050 - youngest population in Niger (20 year average) and oldest in Spain (55 year average)

Demographics - Global ...



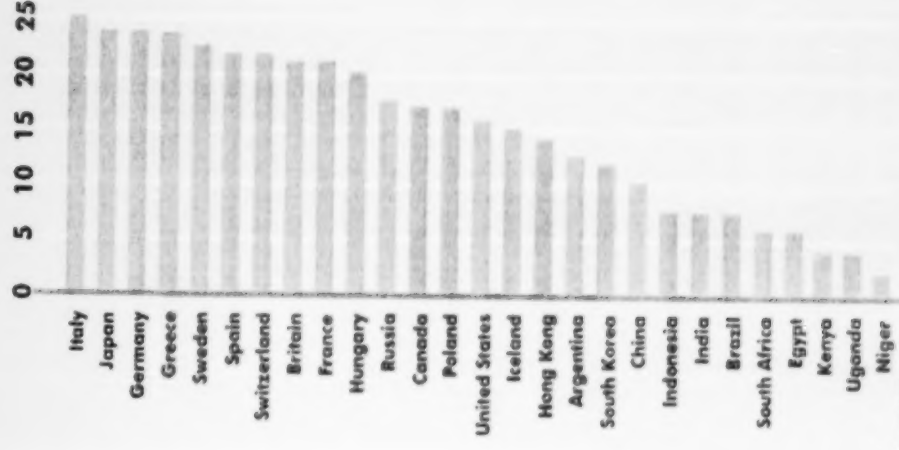
- potential support ratio (PSR = # of people between 15-64 for every person 65 and over) is dropping
 - 1950-2000 - PSR fell from 12 to 9 and is expected to fall to 4 by 2050
- working age population in developed world will drop 50 million (from 740 to 690 million) by 2025

Population aging is unprecedented, without parallel in the history of humanity. Increases in the proportions of older persons (60 years or older) are being accompanied by declines in the proportions of the young (under age 15). By 2050, the number of older persons in the world will exceed the number of young for the first time in history ...by 1998, this historic reversal...had already taken place in the more developed regions.

World Population Aging Population Division, United Nations

- **implications are far reaching and will touch all sectors of society, particularly service providers - everything from health care to urban planning to policing**
- **severe labour shortages are predicted in developed world in both public and private sectors**

Population aged 60 and over as % of total population, 2002
Ageing population



Source: UN

Economist April 13, 2002, p.104

Demographics – Canada



- **2001 census puts population at 30,007,094**

- growth rate of 4%
 - one of the slowest ever recorded -higher than many developed countries
 - lower than US (over 5%) and Australia (almost 6%)
 - Alberta - only province to experience an increase in growth rate
- Statistics Canada - **1/3 decline in natural increase** (the difference between births and deaths)
- immigration main source of growth for the first time since WW II

- **global trends mirrored in Canada**

- urbanization continues

- OECD describes Canada as one of the globe's most urbanized nations
- 79.4% of Canadians live in cities – an increase of .9%
- 51% of Canada's urban population is concentrated in four areas
 - southern Ontario
 - Montreal and surrounding area
 - Lower Mainland in BC and southern Vancouver Island
 - Calgary to Edmonton corridor

- rural populations declining

- 1.2% drop in population
- northern, resource-based communities hit hardest
- exceptions include areas circling large urban centres (commuters account for growth) and remotest reaches of the country (high fertility rate among Aborigines accounts for 1% growth)

Canada, because of this (immigration), has a higher potential growth profile than most other countries, Amongst the developed world, we can expect to become relatively more powerful as far as economic growth is concerned.

– David Foot
Quoted in *The Toronto Star*
March 12, 2002



Demographics – Canada...



- **Canada in NAFTA**

- US population grows faster than Canada's for 1st time in 100 years
 - US maintaining a fertility rate of above 2 children per woman
- Mexico experienced an 8.5 % increase between 1995-2000 – more than double that of Canada

- **Enviro-nics profile of trend-setting baby-boomer generation reveals:**

- Canada's baby boomer population among the largest (40% of population) - most ethnically diverse in developed world
- boomers are big spenders and bad savers
 - Canadians owe + \$34 billion on credit cards – only expected to start declining in 2010
- late start on families - many are “sandwiched” between aging parents and young children

- **aging population likely to give rise to more self-employment, to force an increase in retirement age and to compel employers to consider more flexible work arrangements**
- **baby-boomer generation continue to be major influencing force as it moves into autumn/winter years**
- **emergence of “gray” political parties across country may indicate things to come are private and public sectors prepared for the increase in senior population – how will the provision of services and design of programs have to change?**

- **one of the lowest population densities**

- OECD calculates a total of 3.1 residents per square kilometre
 - density most concentrated along Canada/US border
- **only Australia has lower population density at 2.7 residents per square km**
- compares to high of 387.5 per square km in The Netherlands

Demographics – Canada...



- **shifts in population = shifts in political representation – eastern and western alienation may increase as Ontario's power base expands**
- **Canada's largest urban centres will ratchet up pressure for representation at fed/prov table**
- **depopulation of rural areas has implications for service delivery**
 - police may increasingly called upon to perform non-law-enforcement duties
 - sectors may need to evaluate cost/benefit of providing services in depopulating areas
- **diversity of population will increase with growing reliance on immigration – attitudes toward newcomers important social barometer**
- **Canada will experience skills shortages**
 - public sector shortages expected in executives, senior and middle managers, computer analysts, scientists, programmers, engineers and policy analysts
 - demand vs. supply will challenge employers, particularly in public sector, to find new ways to attract and retain personnel – compensation may increasingly become an issue

(See Appendix A for more detailed across-Canada demographic information.)

Society

Summary

Social trends continue to illustrate complexity and constant evolution of global societies. Issues are increasingly interconnected as globalization erases borders and bridges communications.

However, history also demonstrates that there are still vast differences – some extremely divisive and others healthy components of diversity. Understanding these dynamics, how key issues affect people and how populations respond continues to be critical.

In this section

- increased attention to world religion is revealing how much we don't know and how rapidly environment is changing
- health of populations and how nations foster and manage health continue to be of paramount concern
- responses to key social issues like drug addiction and sexual abuse under increasing scrutiny
- renewed thinking about what defines quality of life in Canada
- Canadian public opinion consistent on government priorities, divisive on immigration issues and privacy/security trade-off notion



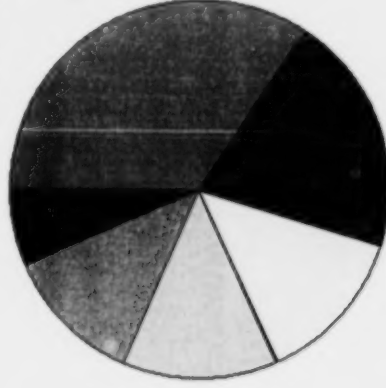
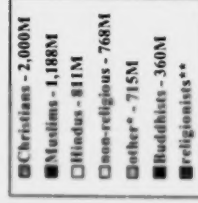
Society - Global

- **education in KBSE holds powerful influence on societal outcomes**
 - OECD reinforces education as critical to quality of life - not equally accessible
 - positive to those with access - increasingly negative for those who miss out
 - multiple factors determine inclusion and participation across OECD nations - socio-economic background, gender, culture, age and physical ability
 - over 60% of working age population in OECD nations have at least upper secondary education - less than 10% of adults in Italy, Portugal and Turkey have university diploma

- **global religious change expected to intensify in coming decades**

- world's religious composition neither few in number nor static
 - Christianity practiced in hundreds of divergent forms
 - in 2001 - close to 1.2B Muslims globally - at least 70M belong to groups outside more commonly known Shia or Sunni
 - Buddhism comprises over 200 distinct bodies - many do not concur on key issues
 - Pentecostalist affiliation predicted at 1B by 2050

The World's Major Religious Blocs, 2000



*including Chinese folk-religionists, ethno-religionists, and New Religionists

** including Jews, Sikhs and Bahais

Source: 2001 World Christian Trends

...there is enormous religious change going on across the world, all the time. It's massive, it's complex, and its continual. We have identified 9900 distinct and separate religions in the world, increasing by three new religions every day. What this means is that new religious movements are not just a curiosity...they are a very serious subject.

~ David B. Barrett, Editor, World Christian Encyclopedia, 2001

Society – Global...



- **renaissance of Islam predicted to look more - not less - like America**
 - renaissance led by “revivalists” - not fundamentalists
 - younger generations know more about West than their ancestors
 - deplore many things about western life - moral decay and materialism - but also seek to adopt elements like democracy and free-market economy
 - Muslim world's existing structures of power key barrier to progress
 - **significance of Mid-east conflict and link to public opinion/behaviour intensifying in some regions**
 - Information Age enabling majority of Arabs to access media outlets outside borders
 - exposing uncensored imagery/commentary on conflict
 - fuelling frustration with governments' seeming inability to stem the violence
 - France, with largest Muslim and Jewish populations in Western Europe, witnessing increasing incidences of anti-Semitic attacks in the last year
- **citizens likely to exert increasing pressure on Arab states to take significant steps to redress matters, despite lack of military muscle**

For a long time there has been a pervasive assumption ... that Arab public opinion doesn't really affect the behavior of Arab states... those leaders have the power to shape and manipulate the opinions of the public, the analysts believed... This view was always exaggerated. All governments, even authoritarian ones, must pay attention to their public. Public discontent can be contained only by straining the governments' security and economic capacities.

– Shibley Telhami
The Brookings Institute

Society – Global...



- **analysis of New Religious Movements ("NRMs") - growth industry**
 - law enforcement asking NRM scholars for advice
 - police seek assistance on distinguishing real from perceived threats associated with NRMs - Heaven's Gate and Solar Temple suicides still fresh in memory
- **leadership of women critical to the rebuilding of Afghanistan**
 - global community unite to fight gender apartheid
 - 5 years of work by US-based Feminist Majority Foundation in advance of 9/11 provided solid foundation for major international human rights efforts to end oppression of Afghan women
 - UN World Food Program, led by executive director Catherine Bertini, leveraged critical support of 157 bakeries in Kabul to ensure aid workers were permitted to work – closing down operations when challenged by Taliban
 - Dr. Sima Samar, an activist and doctor, ran clandestine hospitals and schools for women and children in Pakistan and Afghanistan for over 10 years - appointed Afghanistan's new Minister for Women's Affairs

... Practicing medicine in [rural Afghanistan] demonstrated brutally that the lives of women were nearly unbearable... and that the lack of education was a direct cause of the turmoil the country was in.

~Dr. Sima Samar, Deputy Prime Minister (Minister for Women's Affairs), Afghanistan interim government



- **international study positioned to exert pressure on OECD nations in management and delivery of health care**

- OECD undertaking broad, 3-year study of member states' health care systems to respond to key policy challenges
 - rising demand - aging populations and technological innovation
 - concerns about efficiency in provision
 - continuing health inequalities
- **building integrated information on measuring performance**
 - development of evidence-based policy options for improved health care systems

➤ **international comparative analysis of key service delivery sectors - may exert global pressure to integrate international standards and frameworks**

Health systems are an important element in social cohesion and represent the largest service sector in many OECD countries. Their efficiency, effectiveness and equity consequences, their impact on public finances, and their ability to meet the challenges of medical advances, ageing populations and rising expectations require creative policy approaches.

OECD Council at Ministerial Level, May 2001

- **court ruling on anti-AIDS drug - dramatic shift in outlook for children and pregnant women in South Africa?**

- April 2002 - South Africa's Constitutional Court ordered anti-retroviral drug Nevirapine to be provided to all HIV-infected pregnant women despite government resistance
 - health ministry argues infrastructure insufficient for distribution
 - President Mbeki questions validity of and necessity for anti-AIDS drug
- studies suggest Nevirapine can reduce the transmission of HIV from mother to child by 50%
- estimates - effective use of the drug could save 10 babies a day

Society – Global...



- **labour market pressures present challenges - pose tough questions**
 - unemployment-related protest intensifies in China's north-east
 - recent large scale, integrated protests mark a significant departure from traditional labour unrest patterns and signal the potential for a worker's movement
 - Communist Party appears more tolerant than in Tiananmen Square days, accepting it as a unavoidable component of economic progress
 - critics suggest the party under-reports unemployment rates and seeks to foster worker disunity and ensure grievances remain targeted away from it and toward local government
- **shrinking labour force + economic slump = retirement delays in Britain**
 - Britain's Institute for Public Policy Research - proposes raising standard retirement age to 67
 - % of men aged 60-64 employed full time has decreased nearly by half since 1970s
 - raises key questions from both supply and demand sides of labour market
 - ability and capacity of older workers to do job and willingness of employers to hire them
 - agism and desires for early retirement not likely to disappear
 - analysts predict recent economic turn downs and demographic pressures will draw potential employers and aging workers together

UK studies suggest older workers (defined as over 50) perform worse than younger ones in tests of working memory and ability to process complex new information rapidly, but also demonstrate less absenteeism, lower turnover, fewer accidents, higher job satisfaction and more positive work values than younger workers.

Society – Global...



- **increased awareness about social harm and public cost exerts pressure for change in dealing with key issues**

- Britain's growing drug problem one of the worst in Western Europe
 - more using hard drugs than in any other European country
 - addicts getting progressively younger – atypical trend
 - rate of drug related deaths - high and rising
- government, police consider radical action
 - scaling back penalties for possession - minimize drain on police resources
 - Swiss trial program of prescribing heroin to addicts in controlled environment seeks to minimize drug related crime and help kick addictions – being considered by Britain

- 80% of drug expenditures in Britain are estimated to be financed by crime – largely mugging, burglary, robbery, shoplifting and car theft
- Britain imprisons higher proportion of population than almost anywhere else in Western Europe
- estimates are that Britain's drug problem costs government £10 billion a year

- **Swiss prescription program may signal a shift in approach to war on drugs**
- **British study confirms direct correlation between addiction levels, prison populations and property crime rates in Britain**

- “pass the trash” response to child sex offence cases under increasing scrutiny
 - some institutions, fearing legal liability and damage to reputations have dealt with sexual abuse cases by discreetly arranging for accused to continue working elsewhere – contributing to veil of secrecy
 - increasing publicity of cases adding pressure on institutions to deal with offenders effectively/openly

Society – Canada



- **religious renewal predicted on the horizon – may take new forms**
 - vast majority of Canadians surveyed (85%) associate themselves with a religious denomination - despite record low attendance levels
 - majority (55%) attending church sporadically or not at all express **desire to actively engage** with respective faiths, but with assurance of meaning – described as “inactive affiliates”
 - some **increases in teen attendance** levels
 - **new interpretations of “spirituality”** emerging – e.g. more time with family & friends
 - 21% of Canadians attend religious services weekly – down from 31% in 1975 and 60% in 1945
 - exodus from church particularly apparent among Quebec Catholics – from 90% in 1945 to 20% in 2000
 - 81% attest to a belief in God
- **new thinking on what *really* indicates quality of life levels in Canada**
 - Canadian Policy Research Networks ongoing Quality of Life Indicators Project reaches major milestone - unveils **mixed preliminary findings**
 - improving trends in physical and mental health status - eroding quality of health care and fairness of waiting times
 - world-class performance on educational attainment and university enrolment - rising costs of university education *and* lack of evidence about quality of education
 - strong economic indicators - deterioration in social conditions, programs and personal well-being
 - improvement in waste management - **worsening** air and water quality
 - right to vote highly valued - declining voter turnouts prevail



Society – Canada...



- **measuring quality and availability of health care**
 - Maclean's 2001 survey used 15 system indicators - varied results
 - tele-health services applauded by some for cutting down on unnecessary hospital visits - others suggest they are luring talented nurses away from staff-strapped hospitals
 - access to services remains key issue
 - of 54 regions measured, communities with medical schools continue to dominate best overall scores
 - the majority of the rural regions surveyed rank in the lower half in terms of access scores
- **prohibitive training costs continue to dictate profiles of medical students**
 - majority of students come from wealthy urban backgrounds – not representative of socio-economic, geographic, ethnic diversity
 - about 10% from rural areas and most likely to consider practice in those regions
 - disproportionately low enrolment of black and aboriginal students
 - under-representation could lead to language / cultural barriers between doctor and patient
 - communities race to conceive of ways to keep medical talent
 - hope is that more students will practice locally with 2004 opening of northern medical school (campuses in Sudbury and Thunder Bay) – studies suggest 60% of doctors practice close to where they studied
 - Wallaceburg Ontario - offered to subsidize 7 medical students in exchange for commitments to practice in area as response to an urgent shortage
- **Canada confronting shortage of doctors – particularly acute in rural areas**
- **according to the CMA - 900,000 Ontario residents lack a general practitioner**
- **rural depopulation trends may necessitate rethinking of service delivery models on wide range of public services**



Society – Canada...



- **developments and pressures continue to colour Canadian health care context**
 - Canada's WorldHeart among key contenders in North American race to develop artificial heart
 - highly competitive R&D environment and aging population contributing to rising cost and demand for prescription drugs
 - National Population Health Survey - confirms Canadian adults and children have been getting increasingly overweight since 1981
 - steady declines in infant mortality and premature mortality (pre-75) continue
 - smoking, while on the decline, continues to be a key avoidable health issue
- **information lacking on what actions are taken and why**
 - key knowledge gap – research on treatment usage and corresponding impact on one-year survival rates – require “cost-benefit analysis”

Romanow Commission on the Future of Healthcare, established in April 2001, is undertaking an extensive, two-phased study aimed at strengthening and renewing Canada's health care system. Final report, scheduled for Fall 2002 is expected outline a concrete action plan to put the system on sustainable, long-term footing.

Canadians and Prescription Drugs

- In 2001, Canadians spent an estimated \$15B on prescription drugs – an average of approximately \$360 each
- More drugs are being prescribed now than ever before – 25% more per capita in 2001 than in 1995
- The nation's drug costs represent approximately 15% of the nation's \$100M overall healthcare bill
- Canada's \$100M healthcare expenditures represents close to 9.4% of its GDP – Canada thus spends more on healthcare relative to its GDP than any other country in the world, with the exception of the US and Germany

*“Drug Habits: Behind Canada's Giant Rx Bill”
Andrew Duffy, Ottawa Citizen, January 19, 2002*

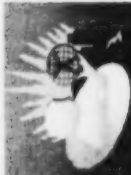
Society – Canada....



- **Canada's 15 year olds perform well in key academic areas**
 - testing among G8 countries - Canadian kids rank 1st in reading, 2nd in math and 3rd in sciences
 - among those with least variation in terms of performance relative to socio-economic effects – implying **secondary education system is a leveller**
- **rates of participation in education increasing**
 - high school drop-out rate declined in all provinces between 1990-1999 – with some persistent problematic areas
 - Prince Edward Island, Quebec and Alberta had the three leading rates in 1999
 - **university participation rate of 18-24 year olds gradually increasing over past 20 years**
- **shifting concepts of equality and disparity**
 - **inconsistent attitudes toward income gaps/economic experience**
 - majority of Canadians indicate income gaps are unacceptable - majority also indicate a person's overall performance or output should be key outcomes determiner
 - **mixed responses to notion of people with resources having access to better/ faster service**
 - only 26% deem it acceptable in the case of quicker security lines at airports and customs
 - strong division in case of higher quality private education
 - more palatable in case of protection and security services in one's neighborhood ~ 45% indicate ability to buy better/faster service is acceptable
 - **majority of Canadians (61%) still agree with statement "I really worry that we are moving to a more divided society of haves and have-nots" - steady decline over last 6 years – 81% agreed in 1996**

(Source: EKOS Research Associates, 2001/2002)

Society – Canada...



- **evolving scope of corporate social responsibility**

- roles of public, private and not-for-profit sectors in communities continue to change as we move from period of spending cuts to a more fiscally prudent era
- **business sector faces unique trends**
 - dramatic communications changes affecting how business connects with stakeholders
 - more sophisticated consumer base, demonstrating increasing activism, with higher expectations of quality service delivery
 - increased focus on accountability
 - increasing media attention on corporate citizenship

- **revised approaches to how business views and plans for its role in community**

- moving from ad hoc models of donations to strategic integration of social responsibility into business planning
- increased recognition of need of, and training for, internal champions to manage corporate social responsibility
- growing involvement of employees in corporate responsibility – support for employee choice (e.g. giving funds, matching funds, etc.) and employee volunteerism programs
- continued investment in community outreach programs - improved tracking and accountability measures

- **majority surveyed agree business is making an effort – but more could be done**

- 64% of Canadians surveyed gave Canadian companies a positive rating on efforts to “support community sports, arts and culture, charities and other community causes”
- 32% were critical of companies overall community support efforts

(Source: Angus Reid Consumer Confidence Monitor, January / February 2002)

Corporate social responsibility is commonly considered to mean the relationship of corporations with stakeholders – elements include:

- financial and ethical performance
- environmental stewardship
- employment creation and maintenance
- investment in community outreach
- human resource management

Source: Conference Board of Canada

Society – Canada...



- **public confidence in police relatively high but experiencing decline**

- World Values Survey analysis reveals overall high levels of confidence in police
 - high and stable although a slight overall decline since 1980
 - high when compared to other public organizations – e.g. armed forces, civil service, etc.
 - consistent with trends in comparable countries

- regional data underscores **variances in BC and Quebec**

- slight increases in confidence levels in Atlantic and Alberta
- modest declines in Ontario (3%) and Prairies (1%)
- significant drops in Quebec (11%) and B.C. (12%)

- **shifting values predictors of key behaviours and expectations of Canadians**

- citizens are increasingly post-materialistic (i.e. preoccupied with the need for belonging, self-esteem, values relating to quality of life rather than "material goals" such as money, physical security)
 - increased expectation of governments to be more responsive
 - increased inclination to engage in protest behaviour
 - declining levels of deference to authority
 - community standards for acceptable behaviour have changed

Canadians exhibiting low confidence in police tend to:

- be younger
- be left-oriented politically
- have low levels of life satisfaction
- have lower levels of church attendance
- have high propensity for civil permissiveness
- have high propensity for protest behaviour

➤ **predictors of low public confidence in police help to identify segments of population with which law enforcement could seek to improve relations**

Society – Canada...



- **public fairly divided on proposed security/privacy tradeoffs**
 - 43% of Canadians confident Government of Canada can be trusted to strike right balance of security and civil liberties
 - 48% indicate they are comfortable with police having increased powers to ensure security even at expense of some personal privacy safeguards – steadily declining post 9/11 (from 64%)
- **Canadians varied perceptions of immigration and refugee policies**
 - on number of immigrants coming to Canada:
 - 45% indicate the number is about right
 - 34% indicate there are too many
 - 12% indicate there are too few

(Source: EKOS Research Associates, 2001/2002)

- **demographic trends indicate the country is and will continue to be dependent on immigration for population and economic growth – public opinion on this matter is to become a key issue**



Royal Canadian Mounted Police
Gendarmerie royale du Canada

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Safe Homes
Safe Communities

RCMP

ROYAL CANADIAN MOUNTED POLICE

--Provinces---

> GO

Environmental Scan — June 2002

Economy

Summary

Two years after the end of the high-technology "boom," the world's economy appears to be in recovery mode. The recent recession, as well as the economic shocks felt after 9/11, helped bring to light several important lessons for international markets.

Perhaps most important among these is a recognition that the interconnected nature of the global economy has reinforced the need to clarify the roles of governments, corporations, NGOs and international organizations to ensure stability, financial responsibility, and equal access to markets.

In this section

- global economic recovery is underway, but structural vulnerabilities remain - recovery is varied across sectors and regions
- recent events have raised calls for government regulation, corporate responsibility
- international partners face the challenge of identifying their roles and responsibilities as global interconnectivity progresses
- demographic shifts will have strategic implications for performance in the knowledge economy - skills and innovation are Canada's "new" competitive advantage

Economy — Global

- world economy in recovery - synchronized global upturn emerging
- North America to lead recovery
- Canada a key performer-to reach 2.5%;
- US GDP grew by 5.8% in 1st quarter of 2002 - up from 1.7% in Q4 2001
- Euro currency zone strong
- Greece, Luxemburg, Spain, Ireland to exceed 2%

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- Germany still dealing with East-West inequities, likely to reach 0.9%
- UK and Japan slow to recover
- UK to grow by 2%, relatively strong but a slight decline from 2001
- Japan in historic economic slump, rivals that of 1930s US - may prove limiting factor on sustained growth
- key drivers - slowed business inventory shrinkage (down 60%), sales growth (up 2.6%), consumer spending (up 3.5%), new housing starts
- post-9/11 stimulus packages also helping prevent continued economic decline and recession
 - indicators show growth likely to slow in later quarters
- consumer confidence down 5% in April
- personal consumption price index growth down 0.2%
- slower growth could potentially allow Federal Reserve to maintain lower interest rates over longer term
 - recession and recovery demonstrate extent of global economic synchronization, interconnectedness
- strong housing markets helped prevent deeper recession in Western economies
- prices increased by 3.2% globally in 2001, helping to offset impacts of recession
- home ownership a stability factor during volatility
- average US household has 400% as much wealth in housing as in less stable equities
- sustainability key to ensuring continued recovery and expansion
- maintaining high productivity growth - critical component of stability
- concrete linkages emerging between sustainable development and economic stability
- long-term economic well-being - strategic goal in attaining global economic strength
- several vulnerabilities could hamper full recovery
- 1990s borrowing binge: debt burden in developed countries is high and could constrain growth
- average household debt highest in Japan, at 132% annual income - Germany, UK both exceed 115%
- total debt in US (government, corporate, individual) rising at 6% per annum
- international oil dependency
- oil-producing economies to grow by up to 4% - but dependence increases risk exposure
- Middle East volatility likely to impact on growth in petroleum-dependent economies
- modest corporate profit margins expected - on average 13% below levels reached in 2000
- verdict still out on consumer confidence
- bolstered by international war on terrorism
- undermined by Enron-like incidents

A major terrorist outrage on the scale of September 11 or larger, could undermine confidence and potentially abort recovery. A sustained upsurge in world oil prices arising from political or military events in the Middle East could impair growth and increase global inflation... [but] barring a major non-economic shock... global recovery for at least this year and next appears reasonably well assured.

~ Michael Mussa

Institute for International Economics

Prospects for the World Economy

April 2002

- key economic sectors demonstrate evolving dynamics of post-9/11 knowledge economy
 - high tech sector poised to recover - two years after crash began, industry appears on more solid footing
 - semiconductor industry is on the rise after worst year since 1997 - 31% decline in 2001
 - monthly chip sales over \$10B since November 2001 - reversal of downward trend beginning February 2000
 - while growth will be slow, analysts point to key features underpinning recovery:
 - new technology investment as firms look to upgrade systems after a post-Y2K hiatus
 - low global inventory has boosted prices, expected to lead to increased production
 - insurance sector remains at crossroads in post-9/11 environment
 - reinsurance companies (insurers of insurance companies) refusing to cover against terrorist acts - claim insurance against terrorists is national security issue
 - at same time, governments seeking to diminish their roles in insuring airlines against terrorism
 - new American, European consortia expected to provide insurance for airline industry in wake of terrorist attacks
 - stakeholders exploring partnerships to reduce burden on governments

In the end... governments will become the insurer of last resort, in the case of a big terrorist outrage, whether laws are in place or not. Governments cannot risk the collapse of their insurance industries. Nor can they contemplate the huge damage done to their economies if most businesses remain uncovered for terrorist risk - whether because cover is unaffordable or because it is available..

"The pariah of risks"

~The Economist, January 12 2002, p.64

- mounting pressures for expanded international regulation, standard-setting, "statistical truth" exposed by Enron scandal
 - Enron collapse exposed vulnerabilities of industry self-regulation

- pressure to meet investor expectations resulting in corporate deception
- key areas include: employee share options, intangible assets, derivatives, revenue recognition
- governments exploring means of improving and regulating corporate transparency
- Japan's Investment Trust Association limiting daily corporate withdrawal limits and strengthening disclosure regulations to protect retail investors
- US expected to mount comprehensive review of auditing and accounting regulations
- auditing a challenging first step for both governments and industries
- pressure mounting for greater emphasis on auditing transparency and government oversight of financial reports - since 1998, over 700 companies have been forced to restate accounts
- ensuring accuracy of national economic indices critical to analysis of international economic system - lack of international reporting and transparency standards hinders accurate depiction of world economy
- e-commerce, international regulation, and growing trans-national trade posing important jurisdictional challenges for governments and multi-national trading blocs
- trans-national e-crime, white collar crime taking advantage of inter-jurisdictional
- vulnerabilities negative impacts of growing e-crime on economy already felt (see pages 4, 5, 7 of "Policing and Security")
 - declining consumer confidence due to ethics concerns could undermine growth
 - currently no standards or oversight for national economic performance reporting, opening the door to corruption and misrepresentation
- divergence in national methodologies + lack of oversight have allowed many governments to inflate economic performance indicators to bolster international confidence and investment
- China recently reported 2001 GDP growth of 7% - western analysts believe figure to be exaggerated
 - need for clarification of roles, responsibilities of stakeholders in global economy emerging in wake of international crises
 - hemispheric economic stability identified as major long-term challenge for FTAA - clear set of roles and responsibilities lacking
- Argentinean crisis highlights need for consultative, multi-stakeholder approach to ensuring economic stability in international trading agreements
- role of international organizations, international partners, in flux as national government struggles to reverse "political implosion"
 - Euro currency region facing structural challenges to ensure stability - potentially requiring greater intra-region support and regulation
- high unemployment levels in former East German labour market likely

to have negative impact on value

- rising inflation across Europe (2.5% January 2002)
- challenge to more prosperous Euro-zone partners to support their less well-off counterparts as European Commission Bank struggles to maintain levels below 2%

■ key economic factors emerging as political levers

- growing need for international organizations to take on oversight responsibilities
- potential levers
 - international development assistance programs as "dealmakers" in post-9/11 era - US providing foreign aid to countries implementing sound economic policies and anti-corruption measures
 - import tariffs and trading agreements to encourage policy shifts
- absorptive capacity of developing world economies threatens sustained growth and strains immigration and economic policies worldwide
 - Chinese economic restructuring points to explosive growth of unemployed workers
 - growth of heavy industry outpaces light industry, now producing over half of GDP - transition to industrialized economy to be less labour-intensive, resulting in displaced rural workers
 - 49% of China's labour force in primary sector - producing 18% of GDP
 - workforce in many Middle Eastern countries will double by 2020 - unemployment already over 20% in some parts
 - less than 50% of new job-seekers in Saudi Arabia find jobs each year
 - extreme poverty plaguing Middle East, resulting in displaced persons, economic stagnation - over 25% of population in most countries under poverty line
 - unemployment potentially undermining long-term economic expansion in India
 - ILO states over 25% of young people aged 20-24 are unemployed - women, rural inhabitants most at risk
 - 70% employed in agriculture, contribute 20% of GDP - sustainability of industrialization challenged
- developed countries experiencing labour shortage - decline in natural population growth
 - annual labour shortages in US as high as 10M by 2020
 - population growth in Russia at -0.35%, posing long-term structural challenges
- immigration, security frameworks to be tested by demographic pressures
 - workforce growth in Western economies to depend on increased immigration, despite emphasis on security
 - developing world unemployment to result in marginalization of youth, increased potential for criminality

Global Labour Source - Striking Contrasts

Proportion of under-15 populations - selected countries

Oman - 44.5% United States - 21.1%

Mexico - 33.3% United Kingdom - 18.9%

Saudi Arabia - 43.4% Russia - 17.4%

Source - CIA World Factbook, 2001

Economy — Canada

- Canada expected to be among leaders of global economic recovery in 2002, but increasingly dependent on US performance

- IMF predicts Canadian economy to lead industrialized countries to reach 2.5%

- recovery driven by US expansion - high Q1 2002 growth helping recovery in Canadian manufacturing, services sectors

- at same time, Canadians concerned about household, individual wealth

- 48% believe household income is "very adequate," down 4% since 2001, 8% since 1998

- 63% have sufficient savings for 6 months or less of joblessness

- impacts of FTA, NAFTA continue to materialize

- direct foreign investment has increased unabated since early 1990s

- concentration of trade unprecedented - American market accounted for 87.33% of Canadian exports in 2001, up 6% since 1997

- impact of integration on knowledge based economy yet to be determined

- continued growth of knowledge economy requires heavy investment to ensure Canada remains competitive in globalized, integrated economy

- integration helping to foster north-south competition for talent

- trade tariffs = key political levers in post-9/11 Canada-US relations

- 29% softwood lumber tariff latest in long-standing dispute - Canada pursuing legal action through WTO

- economic bargaining chips should not be underestimated in their influence on discussions on integration, policy interoperability, continentalization

- economic recovery expected to vary across Canada

- key growth sectors - service, energy, housing

- "old" economy natural resources remain critical in "new" economy - will influence overall provincial, national performances

- new oil production to contribute to 5% growth in Newfoundland in 2002-03 - but maturity of Alberta resource economy likely to suffer under declining international gas prices

- PEI agricultural industry rebound expected to help provincial economy grow by up to 3%

- lumber tariffs and reduced demand for timber will constrain BC's economy for at least next 2 years - GDP growth expected to reach only 0.7%

- strongest growth in 2002 - St-Catharines/ Niagara region (3.9%) and Edmonton (3.2%)
- weaker performance from major urban centres - Montreal, Toronto, Ottawa-Hull
- Ottawa-Hull - recession due to delayed high-tech manufacturing recovery - contraction to reach 0.9%
- expected federal government hiring to provide stop-gap against further slides
- strong economic diversification points to Toronto reaching top-growth position in 2003

(Source: Conference Board of Canada)

- impact of public-sector spending particularly strong over long-term
- infrastructure, health care two key areas of public sector spending
- aging population ensuring long-term growth of economic activity in health care - growth over 50% in last 2 decades, acceleration expected to continue with shifting demographics
- infrastructure projects on the rise - annual cost of essential infrastructure projects now exceeds \$11B
- US/Canada trade, migration patterns demonstrate geographic concentration of activities related to economic integration
- activity concentrated along Ontario, Quebec, British Columbia borders
- border crossings by individual travellers, automobiles mirror activity in trucking
- "have-not" provinces dependent on east-west trade routes to provide access to US markets
- increasing dependence on border crossing, customs facilities in Central Canada - Ontario is US's 4th largest trading partner

Concentration of truck crossings — Canada to US, 2000

Maine (7.17%)
 Idaho (0.78%)
 North Dakota (6.51%)
 Vermont (3.72%)
 Washington (8.75%)
 Michigan (35.87%)
 Minnesota (5.05%)
 New York (29.22%)
 Montana (2.92%)

Source: US Bureau of Transportation Statistics

- closer integration with US potentially leading to re-examination of dollarization option
- growing export dependence, closer security and trade integration post-9/11, as well as relative strength of euro viewed as potential "starting

- points" for common currency
- several precursors already in place for common North American currency
- high proportion of Canada-US trade is intrafirm (between units of related companies)
- approximately 50% of Canadians have a bank account in US dollars
- extensive regional diversity in Canada strains domestic monetary policy
- continued growth of technology and service sectors enabling opportunities for North-South trade
- relative strength of Central Canadian economies has dominated monetary policy in past, resulting in friction from "have-not" regions

"Since the United States has nothing tangible to gain from the formal Canadian adoption of its currency, Washington policymakers will be leery of offering any encouragement to Canada that could serve to draw the U. S. government into a domestic Canadian debate over sovereignty. However much some Canadian nationalists may wish to view the United States as a remorseless opponent of Canadian sovereignty, this is not the case, and participation in this tiresome mythology holds no interest for Washington. Should Canada wish to switch to U. S. dollars, it must take this decision alone."

~Sydney Weintraub and Chris Sands

"Why dollarization is a Canadian affair"

Center for Strategic and International Studies

- Canadian workforce stands to benefit from current global demographic trends
- immigration to provide 80% of population growth in Canada by 2030
- Canada needs to take advantage of limited absorptive capacity of key developing economies to keep up with workforce demand
- enabling access to jobs and learning critical to ensuring migrants can contribute to Canadian knowledge-based economy needs
- prior learning assessments, foreign credential recognition are seen as critical elements of facilitating workforce entry, or a "brain gain"
- economic sustainability dependent on balance of security, trade, immigration policies
- growing dependence on US trade demanding heightened scrutiny on immigration, border security
- parallel dependence on high-skilled immigrants to be critical test for policy

"The non-accreditation of immigrant professionals has... macro-economic costs to Canada. The annual revenue loss derived from labour market inefficiency (i. e. non-utilization or poor utilization of foreign-trained human resources) may be approximated by the sum of foregone income, taxes lost and income support given to unemployed professionals. Although this information is not currently available in Canada it may be roughly estimated to be hundreds of millions of

dollars. In Australia... the number of immigrants who have failed to gain recognition and never returned to their pre-migration occupations in 1990 was estimated to be close to 200,000. Losses to the Australian national economy due to the non-recognition of foreign degrees ranged between US \$100 and \$350 [million]"

~Fernando Mata

The Non-Accreditation of Immigrant Professionals in Canada

- inclusion in knowledge-based economy poses most significant economic challenge for Canada
- explosion in Canada's Aboriginal youth population mirrors that of third world, creating urgent need for Aboriginal job creation
 - population of 15-35 year olds expected to rise by up to 60% in next two decades
 - current unemployment rate for off-and on-reserve Aboriginals exceeds 25% nationally
 - 160,000 new jobs required by 2006 to maintain current Aboriginal labour force participation - a 50% increase of currently employed Aboriginal people
 - job creation requirements for Aboriginal youth expected to reach 280,000 by 2020
- proportion of marginalized workers remains high - leveraging full capacity of workforce to be key challenge to inclusion
 - OECD research shows 44% of Canadians do not possess the literacy skills believed to be required for entry-level positions in knowledge workforce
 - Canada above OECD average - outperformed only by Finland - New Zealand and Australia close behind
 - high-school completion rate in general population stands at less than 82% - improving among younger generations
 - high-school drop-out rates have declined an average of over 5% across Canada since 1991
 - strongest performers - Nova Scotia, New Brunswick, Ontario, Saskatchewan - drop-out rate below 10%
 - Quebec and PEI have highest drop-out rates - over 15% of students do not complete high school
- skills and innovation strategies identify challenges and opportunities of knowledge based economy
 - federal knowledge and innovation strategies released in February as "invitation" to community of stakeholders (see "Science and Technology" for further analysis)
- challenges relate to ensuring all Canadians have access to lifelong learning, breaking traditional "learn-then-earn" sequence
 - demand for highly-educated workers growing at unprecedented rate
 - by 2004 -70% of new jobs will require some form of post-secondary education

Facing the challenge

Conference Board of Canada Research confirms current trends threaten long-term productivity and competitiveness:

— Labour demand 2020: 19.36M

— Annual supply growth: 0.55%

— Shortfall: 950,000 workers

~Judith MacBride-King, Bonnie Shiell

Building a Knowledge Workforce

Conference Board of Canada

Lifelong learning agenda stresses linkages between at-risk youth, learning exclusion, and economic disparity

"Children who perform below their potential come from all kinds of backgrounds, but low family income is a major risk factor. Currently, almost 20 percent of children 15 years old or younger (some 1.4 million individuals) live in a low-income household. These children show higher than average rates of behavioural and learning problems, lower readiness to learn upon school entry and higher drop-out rates."

-Knowledge Matters: Skills and Learning for Canadians, p. 14

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Important Notices

Politics and Governance

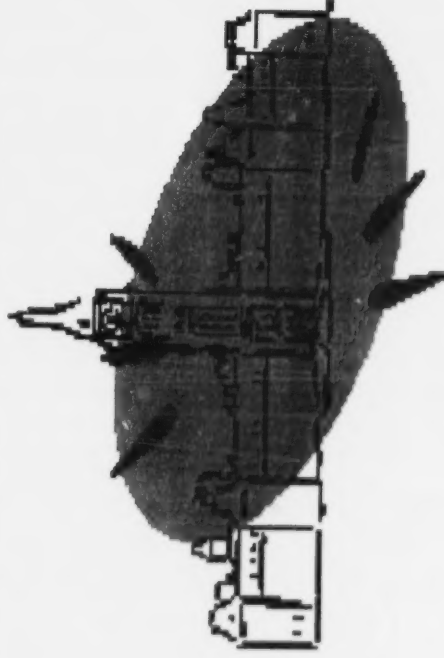
Summary

Many trends and trajectories identified in this section have been covered in previous scans. The primary contribution of this section is to provide an update on how these trends are evolving and/or taking new forms.

A central theme is the increasing diffusion of power and how it is reshaping governance frameworks and global governance responses.

In this section

- traditional concepts and frameworks for leveraging or wielding power are no longer applicable or relevant – power is re-cast as multi-dimensional and multi-lateral
- *new world order* framework still taking shape
- increasing focus on ethics as a driver of governance frameworks – internationally and domestically
- Canada begins mapping a role in new world order
- governance future of North America is Canada's key focus
- role of citizens in shaping the future is also central



Politics and Governance – Global



• **shifting global power bases, imbalances and instability**

- nature of power is changing in context of new world order
 - soft power
 - art of getting others to want what you want, cultural attraction and joint agenda-setting with economic incentives for collaboration – will increasingly supplant traditional hard power – overbearing unilateralism where war is final arbiter
 - applies to non-state actors- corporations, civil society, non-governmental organizations, etc. as well as governments
 - civic power – citizen and democratic power base potentially emerging as new power threshold
- factors contributing to **global power imbalances and instability**
 - globalization applying unevenly around world – contributing to growing global cleavages and fault lines
 - economic, ideological, ethnic, information divisions or disparities expanding and deepening
 - » have and have-nots, East versus West, developing versus developed, etc.
 - population explosions - too many people for world's resources

– governments will have **less control**

- instruments of power that used to belong exclusively to governments or large corporations – money, weapons (including of mass destruction) technology, information – increasingly available to non-state actors /individuals
- technology, in particular, has simultaneously diffused government power and elevated power base of individuals and groups in world politics
- privatization (including knowledge through intellectual property) has expanded

What is happening today is not just indefensible, it is also unsustainable. Large parts of the developing world are becoming enclaves of despair, increasingly marginalized and cut off from the rising wealth generated through trade.... Like the economic forces that drive globalization, the anger, despair, and social tensions that accompany vast inequalities in wealth and opportunity will not respect national borders. The instability that they will generate threatens us all.

Rigid Rules and Double Standards
Oxfam Report, April 2002

Politics and Governance – Global ...



- US world's only military "super power"
- only country to have both nuclear and conventional weapons with global reach
- military expenditures greater than next 8 countries combined exemplified by US unilateralism in foreign-military policy response to 9/11 axis of evil, "you are either with us or against us"
- counter-balanced by new power frameworks where US is one of many players and interests

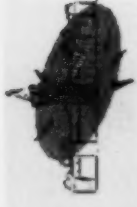
Until September 11, 2001 discussions about America's role in the world took place within a small circle of organizations, experts and policymakers. It was conventional wisdom that Americans were not interested in international affairs. Or, that since the United States was such a big powerful country – economically, militarily and politically – that we were the determinants of world policy. Or, that our will as a nation should always prevail if there were differences among nations. Conventional wisdom was wrong.

Discussion and Action on the United States and Global Interdependence, Aspen Institute, 2001

- expanding role and influence of not-for-profit sector
 - international/ national non-profit organizations will expand sphere of influence and change
 - increase resource base and capacity to expand activities
 - more confident and more challenging of governments and for-profit sector
 - move beyond service delivery to design and implementation of policies (partners or competitors)
 - western organizations will continue to dominate - declining level as economic growth in Asia and Latin America produce additional resources in support of civil society
 - increasingly held accountable for actions - expected to respect similar codes of conduct as governments and corporations
- **autocratic governments and Islamic states or groups predicted to increasingly support non profit organizations sympathetic to their interests**
- **key challenge for state will be managing relations and accountability agreements with the non-profit sector**

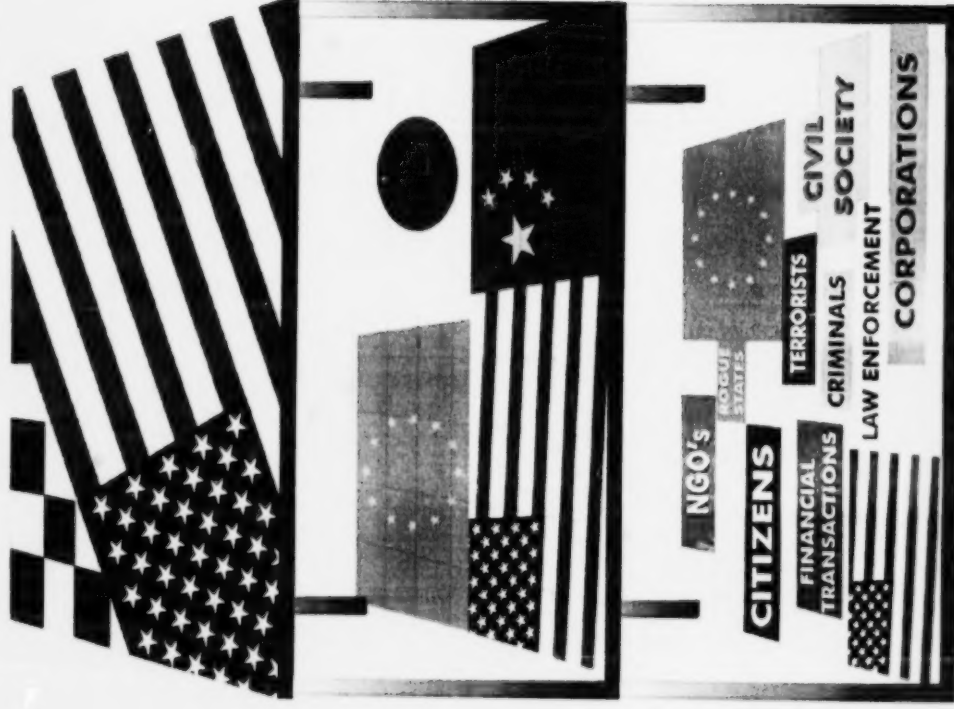


Politics and Governance – Global ...



- In a global information age, power is distributed in a pattern that resembles a complex three-dimensional chess game.
- top chessboard, military power is largely unipolar
 - middle, economic power is multi-polar with the US, Europe and Japan representing two-thirds of the world's product, and with China's dramatic growth likely to make it the fourth big player.
 - bottom chessboard is the realm of transnational relations that is increasingly dispersed and crosses borders outside government control. This realm includes diverse actors (e.g. bankers, NGOs, citizens, as well as criminals and terrorists)

Concept by Dr. Joseph Nye, Dean, Kennedy School of Government, Harvard University
March 2002



Politics and Governance – Global ...



- **global responses to shifting/changing power**

- emergence of new world order governance framework taking shape
 - holistic human security approach to address complex, regional problems
 - by 2015, all 189 United Nations Member States have pledged to meet following global goals
 - » eradicate extreme poverty and hunger
 - » achieve universal primary education
 - » promote gender equality and empower women
 - » reduce child mortality
 - » improve maternal health
 - » combat HIV/AIDS, malaria and other diseases
 - » ensure environmental sustainability
 - » develop a global partnership for development
 - US to lead international effort to rebuild Afghanistan – its infrastructure education, health care, transportation and industry
 - » commits to a plan comparable to one devised for post WWII Europe over next decade

Note: following 9/11 the concept of a new world order was put forward as a new global governance framework. Although references to "a new world order" are not often used today, the key pillars of the framework are reflected in government activities and initiatives.

- **new world order governance framework promotes a proactive, holistic approach by addressing the root causes which contribute to national security threats and organized crime**

Politics and Governance – Global ...



- G-8 Summit – Africa development partnership (NEPAD) – one of three priorities on the agenda
 - » new partnership between Africa and developed world based on responsibility and ownership
 - » Action Plan for Africa to be approved at June 2002 Summit
 - » support African development efforts in key areas by addressing systemic challenges – governance, peace and security, knowledge, health, economic growth/private investment, agriculture and water
 - » G8 leaders - personal representatives for Africa (APRs)
- key challenges to framework are unilateral positions adopted around single interests, e.g.
 - » US defined axis of evil “you are either with us or against us”
 - » Iraq’s call for an Arab oil embargo in opposition to US interests
 - » G8 participation in global arms trade
 - » immigration back-lash in Europe (e.g. France, UK, Holland, Germany)

Africa:

- poverty on rise
- over 40% of Sub-Saharan’s 659M people live below international poverty line - US\$1 a day
- share of world trade is less than 2%
- over 140M young people are illiterate
- only region with rising numbers of children out of school
- lowest life expectancy in world and continues to decline
- over 250M lack access to safe drinking water
- 1 in 5 is affected by armed conflict
- civilian war casualties highest in world

Local wars and military conflicts draw not only on regional tensions, but on the global trade in arms and weapons.... The world establishment is firmly entrenched in this business: the permanent members of the Security Council are together responsible for 81% of conventional arms exports. The share of the US alone is 50% of total sales in the world....as much as 68% to developing countries. The arms are used not only with bloody results, but also with devastating effects on the economy and the society.

–Amartya Sen, Master of Trinity College, Cambridge University,
Addressing Global Poverty, The World in 2002

Politics and Governance – Global ...



- increased internationalization of governance – institutionalize solutions to global problems
 - permanent International Criminal Court - formally established after ratification from 60 countries in April
 - universal jurisdiction for world/s most egregious crimes (e.g. war crimes, crimes against humanity)
 - US opposes
 - » court could be used to constrain military
 - » will include judges and prosecutors from different countries, trained in different legal systems and espouse different notions of justice
 - establishment of European Security and Defense Policy/Police (ESDP) – continent-wide capacity to prevent and respond to crises with contributions from each member state
 - World Summit on Sustainable Development – follow-up to Rio Earth Summit 10 years ago
 - to reach agreement on global responses to climate change and other pressing environmental issues
 - international voluntary, not-for-profit sector increasingly providing independent fora to discuss, analyze global issues
 - focus primarily directed toward tension between security and human rights
 - » ongoing monitoring of chronic and emergent rights issues – rights abuses in underdeveloped regions among “root causes” of terrorist movements
 - » key role in international human rights laws and agreements – improving understanding of roles and dynamics facing human rights concepts that pre-date 9/11
 - » challenge function for increased security measures
 - » identifying and promoting international development as a central element of “war on terrorism”
 - » improved quality of life – key to sustained security and long-term “success”

Terrorists believe that anything goes in the name of their cause. The fight against terror must not buy into that logic. Human rights principles must not be compromised in the name of any cause. The fight against terror must reaffirm the principle that no civilian should ever be deliberately killed or abused, but for too many countries, the anti-terror mantra has provided a new reason to ignore human rights.

– Kenneth Roth, Executive Director, Human Rights Watch

Politics and Governance – Global ...



- ethics - driving governance force
 - governments, especially at national level, increasingly challenged to be trustworthy, accountable and ethical
 - promotion of ethical behaviour in creating level playing field for profitable business competition
 - corporations increasingly expected to meet rigorous regulations and standards as well as societal expectations of socially responsible behaviour
 - whistle-blowing
 - US government claims that most of the billions of dollars retrieved from those attempting to defraud federal agencies come via whistle-blowers
 - » despite growing body of legislation in US to protect whistle-blowers, wrongful dismissal cases remain difficult to win
 - Britain's financial services regulator established a hot-line for whistle-blowers
 - » unique role as an independent party that also is knowledgeable about industry practices
 - examples of emerging fault-lines and citizen frustration are appearing globally
 - 2000 World Values Survey confirms rising frustration and disillusionment among citizens in Western democracies with public officials and institutions
 - » public's demands for transparency, accountability and higher ethical standards growing louder
 - Transparency International rates Germany only 20th for public honesty - below Hong Kong - as corruption scandals surround Germany's 2 main political parties (Social Democrats and Christian Democratic Union)

Politics and Governance – Global ...



- leadership – primary driver of high performance and potential crisis for organizations
 - new research extends link between “emotional intelligence” self awareness, empathy of executives and organizational performance
 - suggests primary task of managers is emotional leadership
 - key role is to release human potential, cultivate creative/collaborative environments and encourage individual initiative and responsibility
 - adaptive (and stabilizing) leadership capacity increasingly important in global information age
 - points to potential deficit in leadership in both public and private sectors – some analysts referring to deficit as a “leadership crisis”
 - raises new gender implications – as women traditionally demonstrate strong emotional intelligence
- new governance models push power down into organization
 - US military operations in Afghanistan – deemed a defining moment in “interoperability”
 - transform leadership structure to empower front-line soldiers, improve learning capacity, boost morale and capture value of distributed intelligence allowing action on “real time” information
 - give subordinates mission, provide tools they need; allow them to complete it autonomously

...the events of September 11, have accelerated and intensified existing trends in the structure of organizations. The military, while still essentially hierarchical, is now smaller in size and faster to act. Military services deploy personnel who can think multi-dimensionally and make decisions rapidly. Private, public sector and non-profit organizations are also becoming leaner and more efficient, largely due to the softening economy which increases both pace and pressure in the work environment.

Beyond Outrageous Fortune: Marshall Carter Reflects on Meeting Challenges and Leading Change,
–Barbara Barry, Centre for Public Leadership, John F. Kennedy School of Government, Spring 2002

Politics & Governance – Global ...



– balancing relationships in “security triangle” an emerging challenge

- human security system increasingly viewed as tripartite relationship

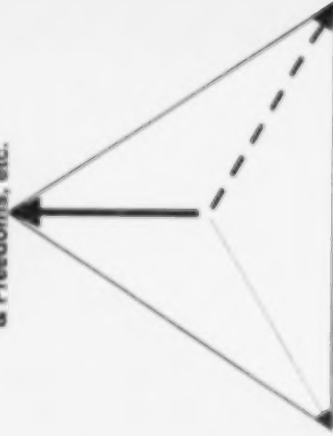
- resources – people, organizations involved in delivering security measures
- legislation – legal underpinnings of human security
- oversight – how security community is governed, ensuring responsiveness

- key areas for further development include

- providing more comprehensive oversight for intelligence and law enforcement matters
- improving training and development for practitioners to ensure laws are implemented responsibly
- providing practitioners with sufficient resources to fulfill new responsibilities without jeopardizing others

The Security Triangle Achieving Equilibrium after 9/11

Legislation – C-42, C-36, Charter of Rights & Freedoms, etc.



Oversight – proactive and ongoing review processes, etc.

Resources – funds, training, technology, etc.

Politics and Governance – Global ...



- **global uncertainties and “hot” zones**

- internal conflicts will pose most persistent threat to global stability
 - communal disputes likely to be vicious, long-lasting and difficult to terminate
 - results - internal displacements, refugee flows, humanitarian emergencies, and other regionally destabilizing dislocations
 - spill over into inter-state conflicts as neighbouring states move to exploit opportunities for gain or to limit possibilities of damage to national interests
 - threatening stability of a globalizing international system
 - interstate wars, though less frequent, will grow more lethal due to availability of more destructive technologies
 - impacts of military, political and economic rise of China and India and continued decline of Russia
- **countries with endemic internal and/or regional conflict most at risk of falling behind economically**
 - associated with failure to diversify economies – includes Sub-Saharan Africa, Middle East and some in Latin America
 - large segment of Eurasian landmass – Central Asia through the Caucasus to parts of south eastern Europe – could also face declining economic prospects
 - gap in standard of living will increase within countries – even in rapidly growing countries, large regions and populations could be left behind
 - increased trade links and integration of global financial markets can quickly transmit turmoil in one economy regionally and internationally
- **South Asia (India and Pakistan) – expected to continue to expand nuclear arsenal**
 - CIA projects threat of war between two nations is most serious regional issue in next 15 years
 - contributing factors – widening strategic and economic gaps, sustained hostility, deep political, economic, and social disparities within both states and the instability of Central Asia



Politics and Governance – Global ...



– East and South East Asia

- power realignments and post-Cold War security environment raise questions about how longstanding power rivalries US-China, China-Japan, China-India, regional "hot spots" Taiwan, Korea, South China Sea, challenged political regimes Indonesia, North Korea, China, and communal tensions and minority issues in China, Indonesia, the Philippines, and Malaysia will be dealt with
- implications of China's rise as a regional economic and military power pose greatest uncertainty
- Korean unification and evolution of Japan's regional leadership aspirations are additional uncertainties
- rich societies Japan, Korea, Hong Kong, Taiwan, Singapore, and pockets in China will likely get richer, while poor societies Vietnam, Cambodia, Laos, and rural areas in western China will fall further behind – exacerbating current power imbalances

– Middle East

- complex regional area – characterized by conflict and deeply entrenched ideological/religious fragmentation
- intricate web of strategic alliances – strong economic base with increasingly troublesome security issues
- increasingly important as primary source of energy
- converging domestic economic pressures and regional rivalries likely to further proliferation of weapons of mass destruction and means to deliver them
- likely to experience more terrorism, insurgencies, and humanitarian emergencies arising from internal disparities or disputes over ethnic or religious identity

– Sub-Saharan Africa

- demographics, disease and poor governance will increase Africa's marginalization – most states will not participate in economic growth of global economy
- ethnic and communal tensions likely to intensify, periodically escalating into open conflict, often spreading across borders and sometimes spawning secessionist states

Politics and Governance – Global ...



- South and Central America and the Caribbean
 - short-lived Venezuelan coup (April 2002) and aftermath point to underlying hemispheric tensions – could signal strong anti-American sentiment among FTAA partners
 - Venezuela 4th largest supplier of oil to US - also trades with Iran, Cuba, Iraq, causing long-standing friction with US
 - swift condemnation of coup by Mexico, Colombia, OAS – potentially emerging influence of international community as potential balance to US in hemispheric relations
 - growing public disdain for traditional power structures expected to accelerate political, economic shifts in Argentina
 - increasing numbers looking to social reform as cure to political and economic volatility – unemployment at 20%, poverty at 40% having clear impacts on industry and economy
 - public approval for traditional power brokers (political parties, trade unions, military, international organizations) at all-time low
 - nascent political movements looking to unemployed and marginalized communities for support
 - political instability, underdevelopment, likely to be reinforced by key governance vulnerabilities in Caribbean countries – hemispheric integration to reinforce current trajectories
 - exacerbated by impacts of deeply entrenched organized crime on economies
 - weak institutional capacities – lack of expertise within administrative and legal institutions
 - infrastructure – geographical, transport infrastructures largely outdated

Politics and Governance – Canada



- **shifting governance relationships**
 - sub-national relationships a driving force of continentalization
 - integration at province/state level influencing evolving federal/provincial relations
 - key drivers relate to governance of day-to-day border issues – cross-border trade and security issues helping to redefine intergovernmental landscape and relations
 - concentration of cross-border trade and traffic in “have” provinces helping to cement strong north-south relationships e.g. province of Ontario 4th largest trading partner of US in world
 - increasing dependence of “have-not” provinces on infrastructure, networks of wealthier regions to ensure trade
 - inter-provincial trade barriers remain a source of tension – discouraging inter-provincial trade relationships and encouraging cross-border activity
- **security**
 - shared borders a high priority for provincial, state governments
 - strong role of state, local governments in US border security dictate requirement of close interoperability with local Canadian agencies
 - new anti-terrorism agency in Ontario helping to meet high US security expectations
- **environment/resources**
 - increasingly important role of sub-national agencies to oversee regional environmental responsibilities
 - US-based Council of Great Lakes Governors working more closely with Canadian counterparts to improve environmental, economic sustainability of “rust belt”

- **growing north-south relationships could challenge “Canadian” values and structures**
- **concept of equalization among provinces potentially further challenged by north-south relations**
- **clustering of cross-border environmental concerns (e.g. Great Lakes) dictate need for responsive, adaptable cross-border intergovernmental collaboration**

Politics and Governance – Canada ...



– international trends pointing to **increasing influence of municipal governments**

- urbanization and population concentration raising profile of local governments as key players
 - amalgamation of regional municipalities and populations accelerate trends Toronto, Ottawa, Montreal, Gatineau, Halifax-Dartmouth.
 - economic, environmental, infrastructure sustainability increasingly challenged by growth of urban centres, sub-urbanization and urban sprawl
 - municipal leaders seeking systematic changes to ensure
 - » sustainability, responsiveness to new urban landscapes, realities e.g. funding levers
 - » reversal of “culture of non-recognition” that leaves municipal stakeholders out of many policy discussions

• key policy areas – infrastructure, immigration, environmental concerns, resources/taxation rights governance capacity within federation and within provinces

– **evolving governance of Aboriginal communities**

- modernisation of *Indian Act* to better support effective, accountable First Nations governments
- self government initiatives underway for First Nations communities opting out of *Indian Act*

➤ **increasing urbanization and regional-municipal amalgamation will present new service challenges for policing and RCMP**

- potential new roles, responsibilities and partnerships
- need to assess long-term impacts for integrated policing models in Canada

The constitution of Canada... was conceived at a time when the vast majority of Canadians lived on a farm and when our largest conurbation numbered but a few thousand souls. The concept of an urban region embracing millions of citizens would have been unimaginable to those who framed the Canadian federation.

Federation of Canadian Municipalities
Prime Minister's Task Force on Urban Issues
February 2002

Politics and Governance – Canada ...



- **governance responses to shifting relationships and power bases**

- establishing role within new world order framework
 - leadership on Africa agenda
 - invited by G8 to take lead on African Action Plan
 - leader in debt relief to developing countries – forgave over \$1B in foreign debt
 - working in partnership with private sector to establish trade and growth across continent
 - **role in reducing world poverty and in peace-building efforts**
 - federal government consulting Canadians – key industry sectors, non-governmental organizations, and interested citizens – on new proposals to help world's least developed countries
 - Canadian government holding annual consultations (since 1997) on peace-building and human security issues with national network of NGOs and institutions involved in human security activities to facilitate development of partnerships, knowledge-sharing and strengthening Canadian capacity

By every index or measure, Africa now lives on the fringes of our globalized world. And is at risk of falling so far behind that it may never catch up. We can't allow that to happen. All nations have a moral obligation and an economic interest in reversing these depressing statistics.

—Jean Chrétien, Prime Minister of Canada
address to World Economic Forum Plenary Session, February 1, 2002



Royal Canadian Mounted Police
Gendarmes royales
Monted Polico della Canada

Politics and Governance – *Canada* ...



- support and leadership for democracy and capacity-building in hemisphere
 - OAS Foreign Ministers, including Canada, signed Inter-American Democratic Charter last September
 - first major accomplishment of Quebec Summit – defends representative democracy in hemisphere by reinforcing existing OAS instruments
 - invoked for 1st time on April 13, 2002, in response to coup in Venezuela
 - Canada contributed \$20 million to Institute for Connectivity in the Americas
 - establishes national and regional strategies for connecting citizens
 - guided by a hemispheric advisory board of representatives from governments, NGOs, business and academia
 - Canada chairs Inter-American Drug Abuse Control Commission (CICAD) – which developed the Multilateral Evaluation Mechanism (MEM), a tool to measure progress of anti-drugs efforts in the region
 - Justice Ministers and Attorneys General of the Americas working to improve cooperation on legal and judiciary issues and increase efficacy in fight against terrorism and organized crime
 - Canada hosted recent meetings to move environmental health agenda forward, advance issues of cultural diversity, and cooperation on labour issues
 - progress being made on gender issues and discussions among indigenous peoples and OAS Member States on draft American declaration on Rights of Indigenous Peoples



Politics and Governance – Canada ...



– focusing on governance future of North America

- managing and brokering relationships with US and Mexico
 - determining role Canada will play in governance framework of NA
 - importance of engaging and integrating other levels of government and other sectors in larger governance framework
 - » provinces, municipalities, private and third sectors have role to play – have well-established relationships and common objectives with US partners
 - Canada's ambassador to US sites 3 key components to making most of our influence with US
 - » **operational coordination** – amongst all levels of government and private sector
 - » **policy formulation** – developing a vision for the future and a path to get there
 - » **communications** – publicizing Canada's advantages and lobbying for our points of view

The management of the Canada-U.S. relationship extends deeply into Canadian domestic policy. ...The experience of the last 18 months – and the horizontal nature of so many of the issues we have faced – has only re-enforced my conviction that an informed, coordinated foreign policy ... (is) vital to Canada's domestic interests.

–Michael Kergin

Canada's Ambassador to the US

April 23, 2002

Ipsos-Reid Poll (April 2002) finds:

- 30% of Americans - particularly in the South - think of Canada as a 51st state rather than as a separate nation
- 27% think Japan is their biggest trading partner another 25% think its China 14% know its Canada
- 56% chose Britain as their greatest ally; 18% chose Canada

Politics and Governance – Canada ...



- focusing on governance future of North America ...
 - challenge of policy “intermesticity”
 - traditional separation between international and domestic policy no longer applies – two domains almost completely integrated – decisions in one impact on other
 - increasing policy complexity - simultaneous need for faster governance/regulatory regime
 - intense requirement for enhanced knowledge, analysis, etc.
 - **engaging citizens in discussions of an increasingly integrated North American space**
 - public dialogue about potential complexity and implications of a more integrated policy agenda - important element of governance
 - North American Integration Survey conducted by EKOS Research Associates – testing values/ attitudes of Canadians, Americans and Mexicans on concepts of a changing North American space – yields preliminary results
 - » unlike Europe, NA market place not resulting in an emerging NA community/identity
 - » national identity remains strong and is rising across all three countries
 - » broad consensus that NAFTA has had a positive impact for all partners
 - » values across three countries are more similar than different
 - » gap in values between Americans and Canadians is widening since 1999 – collectivism – statism, secular and cosmopolitan values in Canada – individualism/self-reliance, moralism and materialism in the US
 - » Mexico accents are on humanism, national progress and lower statism
 - » US/Canada trust in government very similar in long-term tracking, but 9/11 elevated trust levels more in US than Canada
 - » orientation toward world has risen significantly more in Canada than US

Politics and Governance – Canada ...



- **ethics and public confidence** as a driving governance force
- **Leger marketing poll finds 70% of Canadians believe federal and provincial political systems are highly or somewhat corrupt**
 - 80% want major reform of rules regulating awarding of government contracts
 - politicians, their staff, senior public servants, and public service were all identified as perpetrators of corruption and patronage – at 46%, 30%, 26% and 18% respectively
- **establishment of Public Service Integrity Officer (Treasury Board)**
 - acts as neutral party on issues of internal disclosure of wrong-doing (i.e. whistle-blowing)
 - can provide confidential advice, establish if further action can be taken, initiate investigations, protect employees from reprisal, monitor dispositions, reports to Clerk of the Privy Council
- **civil society and voluntary sector** – moving toward direct governance/influence
 - Canada's voluntary sector comprised of 180,000 charities and non-profit organizations
 - partnering with both public and private sector in seeking policy solutions to societal issues
 - rely on *soft power* instruments – rely on public credibility and support
 - historic Joint Accord announced (Dec. 01) between Government of Canada and voluntary sector
 - outlining values, principles and commitments for the future relationship
 - formalized commitment to engage the voluntary sector in the development of new policy and programs
 - precipitated by **growing trend toward protest** – **Canadians rank in mid to high range among other democratic nations**
 - correlated with higher levels of education and interest in politics/ public policy issues

Politics and Governance – Canada ...



- reforming management of Public Service to meet citizen needs/demands
 - significant reform of human resource management systems and processes on horizon as labour/skill shortages loom large in highly competitive market
 - new legislative framework committed to at federal level
 - » merit to be redefined – from “best qualified” to “being qualified”
 - » managers to be responsible and held accountable for all aspects of human resource management
 - people management to be re-cast as primary responsibility of managers
 - PSC likely to assume audit role – transfer staffing authority to departments

What I want to do is make the Public Service, as big and cumbersome as it is, feel like a whole bunch of small start-up companies with dynamism and eagerness and where all employees work hard...and wake up in the morning looking forward to coming to work.

–Mel Cappe
Former Clerk of the Privy Council
The Ottawa Citizen, April 21, 2002

- **citizens consistent on government performance and priorities**
 - majority support overall direction of federal government 54% indicate movement in “right direction”
 - support has declined over past couple of years 60% in 1999
 - health care still top priority for federal and provincial governments
 - support for “level of taxation” as a key priority for federal government continues to decline over last 3 years

Politics and Governance – Canada



- solidifying focus on results and outcomes
 - Government of Canada looking to modern comptrollership as key to good stewardship of public resources, improved decision-making
 - signals emergence of proactive, “management board” responsibilities for Treasury Board – providing comprehensive view of government operations, sustained leadership in improvement of management
 - strengthen government focus on results and outcomes
 - » improved performance reporting and transparency on policies and programs to general public, elected officials, and broader government community
 - » better informed risk management - identification of lessons learned, best practices, and effective knowledge management on outcomes
 - key implementation principles
 - » clarify management commitments – identify what is to be achieved
 - » stronger citizen focus – in designing, delivering, evaluating, reporting on activities – providing accessible, connected service
 - » leverage greater responsiveness and capacity through partnerships
 - » public sector values and principles – reinforcing Canadian institutions of democracy, professional, ethical and people values

Tools of Good Stewardship

- citizen-centred service delivery – improving client satisfaction
- Canada online –secure, reliable electronic interface to government information and services
- modern comptrollership – invigorated management frameworks and policies
- improved reporting to Parliament
 - focusing on relevance, appropriateness and utility of information in departmental reports
- program integrity – demonstrating individual program, department, “whole-of-government” results
- workplace excellence – modernizing human resources management and providing a positive and effective work environment
- knowledge management – identifying, sharing lessons learned and best practices

Treasury Board of Canada
Results for Canadians 2000



Science & Technology

Summary

Globalization stands head and shoulders above all other trends as the driving force of technological development. Flourishing “virtual communities” across disciplines and geographical boundaries, the mounting repercussions of international terrorism, and the challenge of ensuring sustainability represent some of the by-products of our increasingly interconnected world.



Underpinning our ability to make the most of this emerging landscape will be our ability to create and manage intellectual capital.

In this section

- knowledge management – central “technology” of innovation, intellectual capital, and global competitiveness
- virtual communities, international standards, and vulnerabilities – fine-tuning the machinery of globalization
- linking environment, markets and technology in strategic business planning – taking a more comprehensive view
- networks and users – the “hard” and “soft” of the global community



- **knowledge management - central component of knowledge-based economy**

- more than information technology – a set of practices and approaches facilitated by IT tools
 - challenge – make accessible and actionable both “hard” decisions that are made, and “tacit” how decisions were arrived at knowledge of an organization
 - opportunity – most organizations already have some degree of knowledge management in place – appropriate technologies are required to bring the “right knowledge to the right people at the right time”
- **most organizations have yet to formally implement KM strategies** – fewer than 1% of industry year-end reports contain KM terms
 - analysts are only now developing hard data to demonstrate ROI of KM
 - KM has yet to become embedded in day-to-day management
- **dangers of un-managed knowledge are clear**
 - shifting demographics leading to workforce turnover = corporate memory erosion
 - “information overload” of knowledge economy means that employees are spending unprecedented amounts of time looking for stored information
 - Western economies are increasingly dependent on knowledge as primary commodity

➤ **recent UN research has estimated value of intellectual capital as a proportion of financial capital of Middle-Eastern countries at 20.9%**

- at the same time, clusters of intellectual capital “have” and “have-not” countries
- “haves” – enjoy strong educational and research systems, as well as high literacy – tend to be oil-rich (Kuwait, Oman, Saudi Arabia)

➤ **future research will focus on other key regions (Americas, Europe, Asia)**

- expectations are greater economic diversification will result in greater importance of intellectual capital





- **globalization creating need for standardization across research communities**

- international research requires consistency, process standardization
 - growing need to ensure transparency of processes through internationally-recognized audit, evaluation
 - announcement of global genetic guidelines (April 2002) a significant milestone
- challenge - **create international benchmarks** across disciplines
 - accreditation, certification increasingly significant in research, development
 - cost implications yet to be determined

Vulnerabilities of “community” approach emerging for research, computing

- security challenges for researchers - data protection, network integrity
- data integrity and verification potentially challenged by lack of international standards
- DDOS attacks demonstrate application of approach through use of multiple networks
- growing potential for use of networked computers to “hide” illicit activities

➤ **direct impacts to be felt in policing**

- forensic analysis, treatment of evidence require international standards
- enhanced cooperative efforts across jurisdictions to result in examination of legislation, practices relating to investigations and use of technology





- **research “clustering” an emerging by-product of interconnected global community**

- information technologies reducing impact of geographical constraints on scientific communities
 - virtual communities flourishing across disciplines – communications channels are means of sharing, compiling, analyzing results
 - clustering helping to create new synergies among research communities formerly isolated by geography
- “distributed research” projects leveraging power of international volunteers in science
 - growing number of medical, mathematics, physics, etc. research projects capitalizing on distributed virtual processing power of volunteer computer users

- **“distributed computing” – consolidating power through innovative network structures**

- linking components, networks to harness existing power a means to creating customizable, “virtual” computers
 - major firms (Sun, Hewlett-Packard, IBM, Compaq) experimenting with integrated distributed computing
 - intent to link “bits and pieces” scattered throughout existing networks to create a task-tailored computer

Many of the researchers who have constructed [distributed research applications] as largely academic projects brush aside possible risks as unimportant given the value they potentially bring to society. That includes the directors of SETI@Home, which analyzes data from a radiotelescope for signs of alien life and, with 3.5 million users, is probably the largest distributed computing project. In June of last year, when hackers gained access to its volunteer database and escaped with information about 50,000 users, the administrators said they would not rewrite the software to add more security because it is a nonprofit project without the time or resources to do so.

~Ariana Eunjung Cha
Washington Post 21 Feb 2002



- **global consumption, demographic trends highlight importance of sustainability as business/market issue**

- global environment, society linked to strategic market and economic trends
 - current trajectories could potentially undermine both supply and demand over long term
- **keys to long-term business survival**
 - integrating sustainability, environmental responsibility into business practices
 - ensuring more informed policy directions
- **depletion of natural resources** - increased waste will impact on business strategies due to global economy's dependence on non-renewable resources

A Sustainable Global Market? Telling signs...

- long-term supply and demand jeopardized by current trends, undermining economic sustainability
 - money spent on global household consumption increased 68% between 1980 and 1988
 - food purchases account for as much as 70% of family income in some regions
 - global energy production and consumption could rise by up to 230% by 2050
- sustainable development programs are most common in countries with democratic governments
 - UN points to importance of corporate responsibility in selecting countries for investment
 - while number of democratically-elected governments continues to rise, the trend does not extend to many oil-rich nations

Source – United Nations Environment Programme, Freedom House





- **key scientific concerns emerging in post-9/11 research environment**

- developing general understanding of CBRN issues a key research priority
 - post-9/11 security focus demonstrated limits of knowledge on CBRN issues
 - supporting preparedness through scenario-building, scientific research, infrastructure protection central to general security matters
- **safe, sufficient food** – impacts both at home and abroad
 - food supply potential security risk in wake of 9/11 – inspection, protection stepped up and sustained – community of security players tested by new requirements across Western countries
 - application of genetic research to developing world food supply bearing fruit – discovery of rice genome to allow for “fast-tracking” of new species development
- **geopolitics as key driver in search for alternate fuel sources**
 - dependence of West on fossil fuels a significant influencer of anti-western terrorism in developing world
 - pressure for “green” transportation growing but new technologies yet to break into mainstream

By October 14, more than 7,000 individuals had visited various treatment sites for health concerns related to the World Trade Center events. Specific data on the severity of these injuries were difficult to gather, however. The lack of perimeter control at the World Trade Center site made it difficult to monitor the extent of injury and illness. In effect, the “denominator” is unknown, as it was impossible to track how many people were at the site or measure their levels of exposure. It may be years before the true health effects of the disaster are known.

*~RAND Corporation
Protecting Emergency Responders: Lessons
Learned from the Terrorist Attacks*





- **global demand for security driving innovation in identification technology**
 - accurate identification tools – growing demand for next-generation “smart” identification tools
 - focus on multiple redundancies as key to proving positive identification
 - examples include microchip fingerprint-embedding technology, incorporation of fingerprint information in bar-codes, use of digital photography in passports, biometrics
 - **facilitating travel, trade and ensuring security** a challenge for identification card innovators
 - “trusted traveller” practices growing in popularity – National Business Travel Association (USA) cites 66% support among frequent travellers for pre-clearance technologies, “smartpass” identification cards
 - **focus on new identification tools** also highlights important challenges, need for further analysis
 - civil rights groups challenging increasing use of identity cards as means of prying into private habits
 - critics demand “measured” approach – warn of sustained “reactionary” implementation

- *US Enhanced Border Security and Visa Entry Reform Act* to pave the way for tools to enhance border security
- US \$3.2B to be dedicated to purchasing, implementing new technologies at borders, including:
 - new database to be created to link immigration, law enforcement information
 - foreign travel documents to require biometric information fingerprints, retinal scans
 - foreign student tracking system to be created
 - new Border Patrol, INS personnel to be hired

Science & Technology – Global ...



- **cyber-security increasingly part of mainstream security matters**
 - US government considering options for future of cyber-security infrastructure
 - placement and structure of key units National Infrastructure Protection Center, DoJ Intellectual Property division critical to effectiveness of cyber-security teams
 - creation of new Cyber-Security division in FBI to look at key criminal and terrorism vulnerabilities
 - regionalization of US Secret Service Economic Crimes Task Forces to improve assistance to corporations
 - growth of issues taxing existing system – challenge to maintain service without overextending capacity
 - **lack of standardization** in security technology, consistency in applications across jurisdictions, sectors remains critical challenge
- **front-line security of passwords “weakest link” in network security, as well as easiest to strengthen**
- **of 15,000 European and American computer users at 600 major companies**
 - over 50% base password on name of a family member or pet
 - 30% use name of a celebrity, such as a pop idol or sports hero
 - 25% use a simple, easy to remember word
- **at the same time,**
 - close to half have never received formal security awareness training
 - 1/3 of companies surveyed did not require employees to read security policies
- **worst offenders tended to be from communications industry**

Source – Pentasafe Security Technologies Ltd., BBC



- **federal innovation strategy to foster Canadian leadership in global knowledge-based economy**

- emphasizes improving Canadian standing in global competitiveness, with innovation as national competitive edge
- Canada fares poorly against other highly developed countries in key innovation benchmarks
 - R&D spending as percent of GDP – currently in middle of OECD countries (14th out of 29) -- Canada ranks 11th in competitiveness
 - number of external patent applications, number of researchers relative
 - to size of labour force both rank low among developed countries
- **strategy focal points**
 - leveraging knowledge and intellectual capital resources through R&D
 - meeting intensifying skills needs through lifelong learning, building on Canadians' high level of education and training
 - creating an environment that enables innovation through improved public policy, good stewardship, investment incentives
 - partnership approach – strategy is a “call to arms” to business, other governments to partner on innovation

It is time to take what Canada has done well and ask ourselves: How do we do more of this, faster? It is time to galvanize a truly national effort to achieve excellence in all we do: to be the best and nothing less. If we succeed, the reward will be an improved quality of life for all Canadians. We will need a partnership among all levels of government, researchers, academia, businesses and all Canadians.

~The Hon. Allan Rock
Minister of Industry
February 12 2002

- **industry leaders give innovation strategy mixed reviews**

- **viability of multisectoral partnership concept questioned** in context of economic recession
 - see need for funding to enable local initiatives to meet national challenge
 - point to government role in making Canada attractive place for investors, entrepreneurs – cite regulatory, tax frameworks as areas for improvement



- **broadband implementation demonstrates need for multi-sectoral approach to research and development**

- broadband infrastructure - key enabler of competitiveness through real-time business access to knowledge - challenges unique to Canadian geography and society
 - covering broad geography
 - ensuring rural access
 - providing equal access
- **emphasis on multi-sectoral, multi-jurisdictional partnerships**
 - federal, provincial governments as builders and enablers of country-wide infrastructure
 - municipal governments, private partners to enable access and tools through local initiatives, “last mile”
- **estimated cost of e-infrastructure \$4.6B** – to be shared by public, private partners

➤ **broadband growth to test limits of security – potential threats to privacy, e-commerce, data integrity to increase with connectivity**

- increased access could grow potential pool of hackers, cyber-criminals
- key weaknesses of “always on” high-speed systems to be increasingly exploited by criminals:
 - denial of service attacks (DDOS) – crippling websites
 - e-mail worms and “Trojan horses” – restricting communication, data security

Canada online – Key Facts

- #1 in Internet use across G7 (2000), #2 in connectedness
- among lowest communications costs in the West
- IT sector contributes close to half of Canadian private sector R&D
- 15,600 schools, 3,400 libraries online

Source – National Broadband Task Force



- **intellectual property management and protection - significant challenge to research in Canada**

- growth of cross-functional research communities creating need for standards, security measures
- cost of patents, research exchange processes prohibitive to many small to medium enterprises – system bias toward large corporations
- facilitating knowledge-sharing, technology transfer from Canadian hospitals, universities to broader research community a key step
 - new federal funding aims to improve knowledge management between communities
- **knowledge, intellectual property management growing in application across Canada – Statistics Canada research into knowledge management practices reveal significant trends**
 - larger corporations and organizations quickest to implement knowledge management
 - loss of key personnel seen as main trigger for implementing or improving knowledge management practices – increasingly important role of intellectual capital recognized in positive impact on market share, productivity
 - knowledge management also seen as key to retaining employees

- **information-sharing, network and database integration resulting in new pressures to enhance, protect privacy**

- DNA, forensics research and database collaboration seen as potential vulnerability
- interjurisdictional integration accelerating post-9/11





• skills, demographics - key vulnerabilities of scientific community

- federal knowledge, innovation agendas point to growing shortage of PhDs - vacancies among post-secondary faculty members to peak between 2004 and 2010
- student performance in science has improved since mid-1990s - maintaining learners' interest remains challenge for learning institutions
 - Canadian students demonstrate drop-off in interest for science subjects throughout high-school
 - by end of high school, less than half are enrolled in both math and science programs

- Canada's overall level of innovation capacity is near the bottom in the G-7
- as early as 1995, the OECD referred to Canada's situation as an "innovation gap"

Achieving Excellence: Investing in People, Knowledge and Opportunity, 2002

Research and Development: Setting the Canadian Context

- Canada ranks 6th out of 7 of G7 countries in research and development per capita - only Italy ranks lower
- invests only 0.21% of its Gross Domestic Product in research
- Canadian businesses spend US\$358/worker on R&D, while US counterparts spend US\$1,065

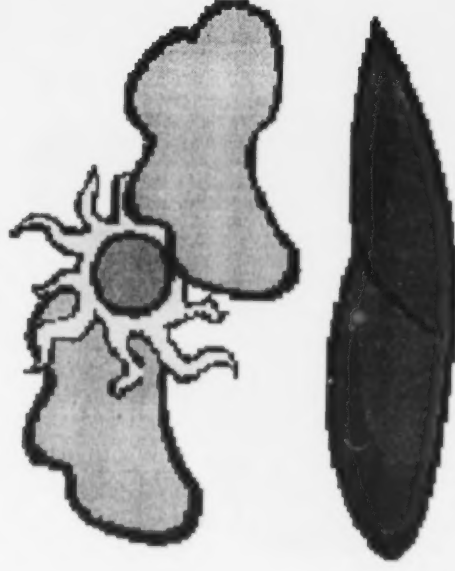
Source - Save British Science

Environment

Summary

Climate change is seriously affecting the world – ice caps are melting at alarming rates and droughts are devastating crops and livestock. Kyoto is still up in the air as the US retreats and Canada and Australia debate ratification.

Strides are being made in mitigating effects, but some of the world's most serious environmental issues continue to be human induced.



In this section

- climate change and its effects on the Canadian and global environments
- increased occupational asbestos related illnesses expected
- Canada takes precautions to protect Kananaskis environment from the G8 Summit
- Great Lakes appear to be cleansing themselves of chemicals
- significant numbers of Canadian communities continue to dump raw waste into waterways

Environment - Global



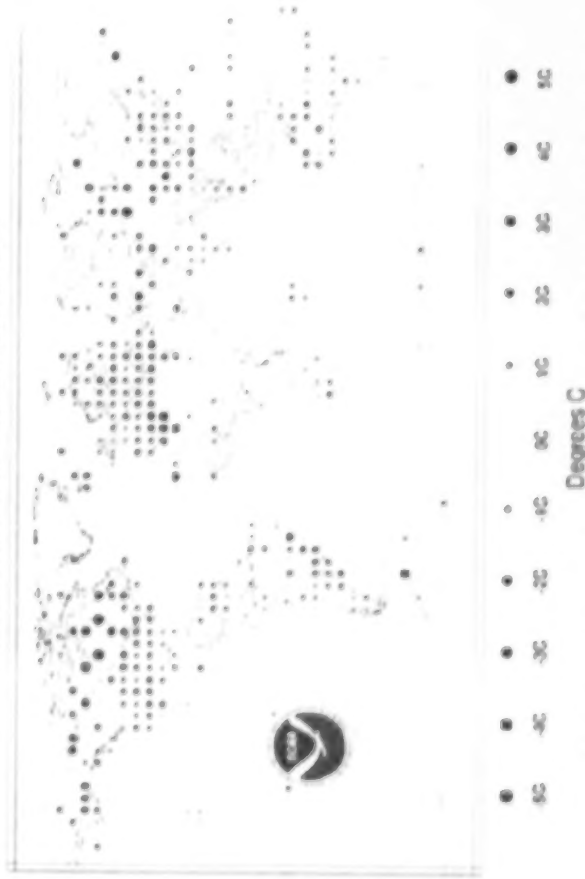
- **evidence that global temperatures have been warming at a significantly increased pace in recent years**

- global surface temperatures have increased at rate near 0.6°C/century - during past 25 years this trend has increased to nearly 2.0°C/century
- global temperatures in 2001 were 0.51°C above long-term (1880-2000) average - 2nd warmest year on record

– regional examples

- Northern Hemisphere continued to average near record levels in 2001 at 0.60°C above long-term average
- Southern Hemisphere also reflected globally warmer conditions - positive anomaly of 0.43°C
- land temperatures were 0.75°C above average – 2nd warmest on record
- ocean temperatures 0.40°C above 1880-2000 mean – 3rd warmest on record

National Climatic Data Center/NOAA





- **legal force of Kyoto Protocol continues hinge on ratification by key industrialized nations**
 - Accord must be ratified by 55 countries to take legal force - including industrialized countries who represent at least 55% of carbon dioxide emissions
 - US has withdrawn support – plans to develop its own environmental reforms
 - Australia's "climate change partnership" with US raises doubt over their ratification
 - Canada continues to debate ratification – urging need for broad consultations
 - May 2002 - G8 Energy Ministers' Meeting to focus on "energy security" – not Kyoto?
 - co-host Canada promoting focus on access to affordable and reliable supplies of energy
 - Greenpeace suggests secure energy, in a world where billions are without access to modern energy resources and where many natural disasters are human induced, is an oxymoron
- **environmentalists say that if Protocol is not ratified could have devastating effects on environment – economists say ratification could lead to millions in lost GDP and thousands of lost jobs**
- **"micropower" – global trend in power generation**
 - decentralized, efficient units operating primarily on natural gas emerging in two niches
 - industrial nations – aging grid equipment causes costly flickers and outages
 - developing nations – centralized supply more brittle and has yet to reach 1.8 billion people living in power poverty
 - delivered by carriers such as fuel cells and micro-turbines
 - global mix of fuels is projected to remain relatively constant, renewables – 18%, nuclear - 4%, fossil fuels – 78%

World energy consumption expected to increase 40 to 50 percent by the year 2010

Environment – Global ...



- **links between environmental toxins and population health continue to emerge – even years later**
 - rise in frequency of asbestos-linked cancers expected
 - Russia, China, Canada – biggest producers of asbestos
 - France and Chile – banned importation of asbestos products – EU considering similar ban
 - asbestos inhalation linked to asbestosis, lung cancer, and pleural diseases, among others
 - study in Brussels found concentrations of asbestos in 13% of bodies autopsied between 1998 and 2000
 - more cases expected to emerge with lag time between exposure and disease
- **ice melts - world's glaciers now shrinking faster than they are growing**
 - world's non-polar glaciers lost nearly half their ice during 20th century
 - Antarctic ice shelves are melting and Arctic Sea Ice has shrunk by 6% since 1978
 - Columbia Glacier in Alaska, U.S.A. has retreated nearly 13 km since 1982
 - Alps glacial area has shrunk 35-40% - volume has declined by over 50% since 1850

We know that occupational asbestos exposure in Western Europe, North America, Japan and Australia was at its peak in the 1970s ... Now, recent estimates indicate that 30,000 new asbestos-related cancers continue to be diagnosed there every year.

—Arvi Tossavainen of the Finnish Institute of Occupational Health

- **large regions that rely on glacial runoff for water supply could experience severe shortages as mountain glaciers shrink**
- **large-scale ice melt would also raise sea levels and flood coastal areas, currently home to about half the world's people**

Environment – Global ...



- **access to clean water**

- “poor management of water resources a primary cause of disease and environmental degradation in both developing and developed countries” (Nitin Desai, Secretary-General of the Johannesburg Summit)
- 1.1 billion people lack access to safe drinking water
- 2.5 billion people lack proper sanitation
- over 5 million people die each year from preventable diseases – those caused by unsafe drinking water and lack of sanitation
- over 2 million people die each year from water-related diarrhoea
- freshwater supplies are enough for world’s population - poor management and distribution restricts access
- world leaders agreed in 2000 to reduce by half the number of people without access to safe water and sanitation by 2015
- Canada set to host Fourth World Water Forum in 2006

Environment - Canada



• climate change trends in Canada consistent with global picture

preliminary 2001/02 data points to specific climate variations

Winter 2001/02 was the warmest on record in the country, with temperatures 1 to 3°C above normal. In the north, temperatures were 1 to 2°C above normal. In the south, temperatures were 1 to 2°C above normal. In the west, temperatures were 1 to 2°C above normal. In the east, temperatures were 1 to 2°C above normal. In the south, temperatures were 1 to 2°C above normal. In the north, temperatures were 1 to 2°C above normal. In the west, temperatures were 1 to 2°C above normal. In the east, temperatures were 1 to 2°C above normal.

climate shifts - far reaching effects

Mean annual rainfall in the south of BC is about 1000 mm. In the north, it is about 500 mm. In the west, it is about 1500 mm. In the east, it is about 1000 mm. In the south, it is about 1000 mm. In the north, it is about 500 mm. In the west, it is about 1500 mm. In the east, it is about 1000 mm.

climate change effects like drought or mild winters have significant downstream economic impacts - particularly on natural resource industries and agriculture

TEMPERATURE DEPARTURES FROM NORMAL
ANOMALIES DE LA TEMPERATURE PAR RAPPORT A LA NORMALE
Winter/Hiver (Dec, Jan, Feb) 2001/2002

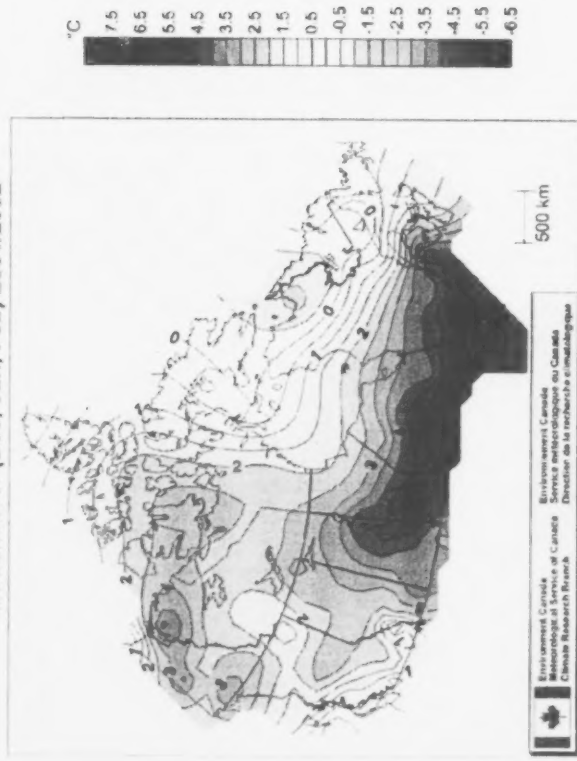


- sparse 2001 rainfall caused Prairie drought - SSB in crop failures
- Southern Alberta's 2001 drought cycle reduced cattle herds by close to 5%
- Mountain Pine Beetle epidemic now accounts for 98% of the allowable annual cut in BC



- **climate change trends in Canada consistent with global picture**
 - preliminary 2001/02 data points to specific climate variations
 - Winter temperatures 2.3°C above normal – 8th warmest on record since 1948
 - western and eastern Canada experienced 6.8% drier winter than normal – 18th driest since 1948
 - southern Manitoba and Ontario experienced mean temperatures of 4.5°C above normal
 - **climate shifts - far reaching effects**
 - Mountain Pine Beetle epidemic in west central BC nearly doubled in size in 2001 from 2000
 - winter 2002 did not see cold snap required to reduce population – epidemic likely to infest 130 million cubic metres of timber by fall 2002

TEMPERATURE DEPARTURES FROM NORMAL
ANOMALIES DE LA TEMPÉRATURE PAR RAPPORT À LA NORMALE
Winter/Hiver (Dec, Jan, Feb) 2001/2002



- **climate change effects like drought or mild winters have significant downstream economic impacts – particularly on natural resource industries and agriculture**

- sparse 2001 rainfall caused Prairie drought - \$5B in crop failures
- Southern Alberta's 2001 drought cycle reduced cattle herds by close to 5%
- Mountain Pine Beetle epidemic now accounts for 98% of the allowable annual cut in BC



- **Water for Life strategy seeks to respond to Alberta's taxed water supply**

- rapid industrial, agricultural and municipal growth, and fluctuating environmental conditions exerting **pressure on water supply**
 - growing demand and dwindling supply – particularly in southern Alberta
 - knowledge gap about tapping into groundwater resources
 - existing water flow commitments to Saskatchewan and Montana to be revisited

- **unpredictable weather conditions - flooding and drought - threaten human safety, crop development and economic growth**

- **Canadian sewage treatment approaches - best and worst practices**

Good

- Whitehorse no longer discharges into Yukon River – all sewage gets secondary treatment and UV disinfection
- Calgary – waste system receives advanced tertiary treatment – highest level available
- Bear River, NS – first community in Canada to implement Solar Aquatics waste-water treatment

Bad

- over 90 municipalities still dump raw sewage into waterways
- Victoria, BC discharges its sewage – 45B litres/year untreated into Pacific Dawson, Yukon dumps about 1B litres of raw sewage per year into Yukon River
- more than 30B litres of raw sewage are discharged annually into St. John's Harbour

Source: Canadian Geographic, May/June 2002

- **water pollution can have wide-ranging impacts on human health – causes disease and harms human reproductive and immune systems**

- **greatest related health risks are posed to small children, elderly and Aborigines in the North who rely on local wildlife as a source of food**

Environment - Canada ...



• **environment among concerns in advance of G8**

- Ottawa appoints full-time environmental coordinator to look at Summit operations, including security, to minimize damage to local flora and fauna
 - environmental reports being developed to identify potentially adverse effects of the Summit on environment
 - officers on extended back-country duty taking measures to ensure presence does not overly disrupt natural surroundings
 - species such as grizzly bears and moose will receive special attention to minimize disturbances to habitats/living patterns

[The Prime Minister] is going to attract the eyes of the world to a place that doesn't need that kind of attention ... We're afraid that in two days [he] could very well undo all the hard work by Albertans over the last 15 years to protect this area.

*-Stephen Legault
Executive Director and Co-founder,
Wildcanada.net, April 2002*

➤ **broad impact assessments, including environmental likely to become regular procedure prior to major events**

• **Great Lakes getting cleaner?**

- between 1991-1996, 10 tonnes of PCBs evaporated from Lakes
 - bans on some chemicals mean fewer toxics are getting into Lakes - chemicals now leaving waters faster than they are replaced
 - other chemicals leaving Lakes even faster - waters lost 11 times as much of pesticide dieldrin as they gained, a loss of 4 tonnes
 - chemicals are carried about 200 kilometres at a time, a process known as the "grasshopper effect", before they fall out of atmosphere - long-lasting chemicals exhaled by Great Lakes will continue north until Arctic cold weather traps them
- estimated it will take **30 to 50 years for the lakes to cleanse themselves** if atmosphere deposition of air pollutants is ended

Policing & Security

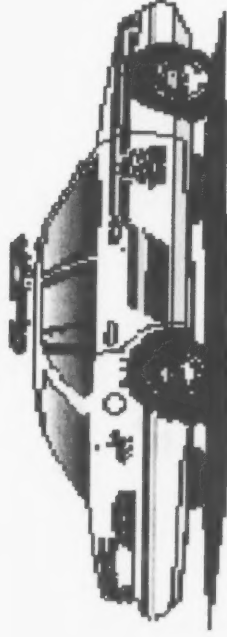
Summary

As with other sections, many trends and pressure points highlighted in the policing and security section have been reported in the past. The key observations of this section are three-fold:

- first - very fluid, highly technologized and sophisticated trans-national organized crime groups, including "terrorists", continue to pose the primary threat to public safety and security in the developed world
- second - a future target area of these groups will be e-crime or cyber crime
- third - the events of Sept. 11 have accelerated trends in law enforcement governance toward fuller integration and interoperability

In this section

- weapons of mass destruction primary threat to global and NA hemispheric security
- globalization presenting new opportunities for economic crime and corruption to rise significantly
- law enforcement/security governance dominated by shifting power structures – accelerated pace toward integration and interoperability
- human resource and skill shortages are a serious, looming challenge



Policing & Security



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Policing & Security – Global



- **major security threats**
 - weapons of mass destruction (nuclear, biological, chemical) delivered by non-missile means - primary threat to global and North American hemispheric security
 - long term trajectory a serious and increasing threat - with expanding availability of technology and information according to US National Security Council
 - most likely smuggled on a ship or a truck, or delivered on a plane
 - most likely biological attacks and attacks against information systems and infrastructure - financial institutions, electrical power grids, water systems, etc.
 - as the number of disaffected people continues to rise adversaries are diverse, widespread and often unknown – small governments or individuals
 - international crime and drug trafficking integrating with extremism

We are now placing an extraordinary premium on being able to attribute... the kinds of threats that might occur from terrorist groups or other non-state actors, to exactly who's doing it, where it is coming from and tracing it back to the ultimate source. This will become a major objective, I would predict, between now and the next 15 years.

~John Gannon
Former Director, National Security Council, ABC News Nightline, January 17, 2001

Globalization... will significantly increase interaction among terrorists, narco-traffickers, weapons proliferators and organized criminals... Chemical and biological threats to the United States will become more widespread.... Between now and 2015, terrorist tactics will become increasingly sophisticated and designed to achieve mass casualties.

~Global Trends 2015,
National Security Council, Dec. 2000

Policing & Security - Global ...



- key threat areas:

- more and more, smaller countries are collaborating and pooling technological knowledge - no longer having to rely on a big power sponsors such as Russia or China

World Area	Nature of Threat
Iraq	• estimated to have invested up to \$10B over a decade in producing weapons grade fissionable material • although IAEA inspectors tracked down parts of nuclear program, a pool of trained scientists remains • has hung on to key elements of its biological program, including production of potent biological agents and toxins, e.g., anthrax and smallpox virus • failed to account for 17 tonnes of biological growth medium
Iran	• believed to have weapon stocks and production facilities since 1980s, although it declares to have none • accused by US of illegally producing biological agents and turning them into weapons • most grave concern is over nuclear weapons ambitions - building civilian nuclear-power reactors that could mask a clandestine weapons program with Russian assistance • may be offering missile assistance to Syria and Libya
North Korea	• according to US and Russian estimates, houses large stocks of chemical weapons and nerve agents • caught producing more plutonium than has admitted to; will not allow inspectors in to investigate • has a well-developed biological weapons research program • has an advanced missile program - for which sales flourish

Policing & Security – Global ...



– key threat areas ...

World Area	Nature of Threat
India	• could have up to 95 nuclear warheads • thought to have a military research program – may be tempted to sell military knowledge for profit • has medium range missile capability
Pakistan	• could have as many as 50 nuclear warheads • thought to have a military research program – may be tempted to sell military knowledge for profit • greater proliferation concern because of primitive export controls and suspicion of assisting possible bomb seekers such as North Korea and Saudi Arabia • has medium range missile capability
Sudan	• has a biological research program • thought to have chemical weapons
Syria	• has a biological research program • has dabbled in nuclear research • thought to have chemical weapons
Libya	• has dabbled in nuclear research • has a biological research program • thought to have chemical weapons • has demonstrated keen interest in developing ballistic missiles with ranges that could threaten Israel and parts of Europe

Policing & Security – Global ...



- **emerging crime trends and consolidating patterns**
 - accelerating hemispheric (North & South America) integration likely to expose new crime threats and need for international standardization
 - north/south economic disparity to exacerbate economic crime
 - Caribbean particularly hard-hit – region's total GDP only a fraction of larger American countries,
 - "have-nots" - Haiti, Cuba- continue to experience severe poverty and extreme underdevelopment
 - potential for drug trafficking to increase with advancing integration
 - tight security along US-Mexico border will encourage growth of Caribbean smuggling corridors
 - political, economic instability in South American opening new doors for corruption
 - recent examples - Argentinean economic collapse, Venezuelan power struggles
 - Colombia, Central American political instability - remain "wildcard" regions
 - **soaring economic/white collar crime**
 - e-commerce and Internet fraud effect sales figures
 - corporations reject up to 7% of all Internet-based sales transactions due to suspicious activity
 - more than 1% of all web-based sales were fraudulent in 2001 – losses could reach US\$700M
 - traditional sales fraud - 0.06% of all transactions
 - credit card companies exploring new tools - prevent sales slippage, bring fraudulent use into more "acceptable" range
 - **US – white collar and internet fraud is growing rapidly- April 2002 Internet Fraud Complaint Centre (IFCC), FBI and the National White Collar Crime Centre (NW3C)**
 - IFCC expects number of complaints to rise from 1000/week to 1000/day - complaint areas
 - » non-deliverable merchandise and non-payment
 - » Nigerian letter fraud
 - » credit/debit card fraud
 - » identity theft
 - » investment fraud
- **increasing pressure to attract, retain and develop personnel with expertise in complex white-collar, money-laundering investigations**

Policing & Security – Global ...



- Germany - total recorded crime steadily falling for last 8 years - business crime soared 50%
 - corruption the norm in waste disposal, building, property management and pharmaceuticals
 - 2000 - police investigated 1,243 cases of possible bribery related to public contracts
- terrorism, drug trade/organized crime make money laundering second largest global industry
 - “dirty” money is estimated at \$3 trillion world wide
- **cases of cyber-crime/e-crime rising exponentially**
- CIA predicts criminal network/terrorist organizations will use wealth/expertise to attack world's financial and computer networks
- 2002 CSI/FBI Computer Crime & Security Survey - 7 year trend trajectory confirming
 - increasing threat from computer crime and other information security breaches - rising financial toll
 - more illegal and unauthorized activity in cyberspace than corporations admit or report
 - 90% of large corporations/government agencies detected computer breaches within last 12 months
 - 80% experience financial losses due to breaches
 - » 44% were willing to quantify their losses - estimated at \$450M
 - » most serious occurred though theft of proprietary information and financial fraud
 - » only 34% reported intrusions to law enforcement
 - » 40% detected system penetration from outside
 - » 78% detected employee abuse of internet access privileges
 - » 85% detected computer viruses

The United States' increasing dependency on information technology to manage and operate our nation's critical infrastructures provides a prime target to would be cyber-terrorists. Now, more than ever, the government and private sector need to work together to share information and be more cognitive of information security so that our nation's critical infrastructures are protected.

–Bruce J. Gebhardt, Executive Assistant Director, EAD, FBI

Policing & Security - Global ...



[The] perils of cyber-technology are so significant that they stagger the imagination and convert vanity to prayer... Cyber-technology arrived without a legal framework to deal with the threats it could create. The public sector should take care of the security and privacy with respect to government cyber networks and the private sector should take care of security with respect to private networks. But they must work together because law enforcement can't do the job alone.

- Janet Reno, Former US Attorney General
Address to Terrorism Conference
Whistler BC, April 29, 2002

➤ challenge of e-crime for law enforcement:

- rapid advance of technology - law enforcement needs to be on the leading-edge of new technologies / tools to counteract
- constant challenge developing/retaining expertise to implement new technologies - as the demand for "hot" technology skills increases
- e-crime rings are borderless - require interoperable, integrated, and collaborative approaches across international jurisdictions

- technology/e-crime challenging law enforcement to be integrated, multi-skilled
 - highly-sophisticated crime enterprises use leading-edge technology - holograms, microprinting phony credit cards, extensive knowledge of targets
 - geographically distributed enterprises supported by secure servers, networks
- intelligence-led approach to understand full potential of on-line crime
- some major achievements for law enforcement in 2002
 - international credit card fraud ring broken up by coordinated RCMP, US Secret Service, provincial forces - responsible for up to 80% of credit card fraud in Canada
 - child pornography ring broken up in US, Canada - involved 7,000 individuals

Policing & Security – Global ...



- corruption potential exploding with globalization
 - global economic integration grappling with bribery, corruption – interconnected world economy demonstrates need for international business laws, standards
 - many large multinational corporations “sidestepping” anti-corruption laws – capitalizing on lack of inter-jurisdictional cooperation, coordination
 - domestic laws are most effective against corruption by domestic companies
 - 1997 OECD convention on bribery signed by 35 countries - subsidiaries operating in non-signatory areas not bound by regulations
 - self-regulation among large multinationals failing to provide adequate security measures
 - US Department of Justice estimates bribery in international contract competitions close to US\$30B per year from 1994 to 2001
 - bribery by firms operating in some regions increases costs up to 8%
 - in 20 years, US SEC has pursued only 30 cases involving foreign bribery – key challenge is lack of cooperation in other countries
 - research continues to demonstrate reticence among firms to self-report instances of bribery
 - business sustainability may be long-term answer
 - foreign direct investment is greatest in countries perceived as “less corrupt” by world standards

- **it is now widely accepted that corruption has large costs for economic development**
- **across countries there is strong evidence that higher levels of corruption are associated with lower growth and lower levels of per capita income**

~ World Development Report, World Bank, 2001



Policing & Security – Global ...



- **eco-terrorism**
 - FBI identifies “special interest terrorism” as a serious threat – extremist groups on specific issues versus widespread political change - traditional right wing and left wing terrorism
 - estimates the Animal Liberation Front and Earth Liberation Front (ALF/ELF) have committed more than 600 criminal acts in US since 1996 - more than \$43M in damage
 - acts of sabotage and property destruction target industries perceived to be damaging the natural environment
- **organized crime in South-East Asia - China, Hong Kong, Thailand**
 - organized crime strategies – primarily drug trafficking and human smuggling – not well developed by policing agencies
 - capacity building and specialized training increasingly the focus
 - Australia/UN International Drug Control Program (UNDCP) pro-actively responding to training needs
 - Australia invited Canada to attend regional meetings of heads of criminal intelligence of Asian countries – opportunity to pass on Canadian intelligence-lead/integrated police strategies
- **containers increasingly the vehicles of high crime**
 - at any moment, 15 million containers are at sea or parked in shipyards – accounting for 90% of world's traded cargo
 - average value of cargo theft increased fivefold - \$500,000 from 1970s to 1990s
 - “intermodal” travel – on both sea and land - difficult to regulate - at sea under jurisdiction of UN's International Maritime Organization - on land under jurisdiction of national governments
 - only 2% physically inspected - long used to smuggle drugs, contraband, illegal immigrants

Policing & Security - Global ...



- "blood/conflict diamonds" - growing pressure for international transparency in the diamond trade

- international attention on relationship - diamonds, violence, organized crime and societal destabilization in underdeveloped parts of the world - Sierra Leone, Angola, Congo
- estimates "blood diamonds" account for 4 to 8% of global diamond industry
- up to 500,000 people killed in recent years in "diamond wars"
- international effort for transparency - internationally recognized certification program
 - 18 month negotiation (Kimberly Process) cooperation with industry leaders, government officials and human rights groups
 - 37 county agreement (March 2002) requiring all diamonds to come with certificates of origin

World Diamond Output

Diamond output (US \$ million)

	1999	2000	
Angola	600	750	
Of which: UNITA	150	75	
South Africa	800	900	
Namibia	400	500	
Botswana	1,800	2,200	
Russia	1,600	1,600	
Canada	400	400	
Australia	400	300	
Other	800	900	
Of which: RUF	70	70	
DCR rebels (Kisangani)	35	35	
World Total	6,800	7,500	

Lucas data range from 1995-1999

UNITA - National Union for the Total Independence of Angola
 RUF - Sierra Leone's Revolutionary United Front
 DCR - Democratic Republic of the Congo (and Liberia)

Source - De Beers

Note: Diamond statistic vary enormously. For both 1999 and 2000, the De Beers estimates for UNITA output are roughly half that suggested by the UN.

Estimated "Conflict in Blood Diamonds"

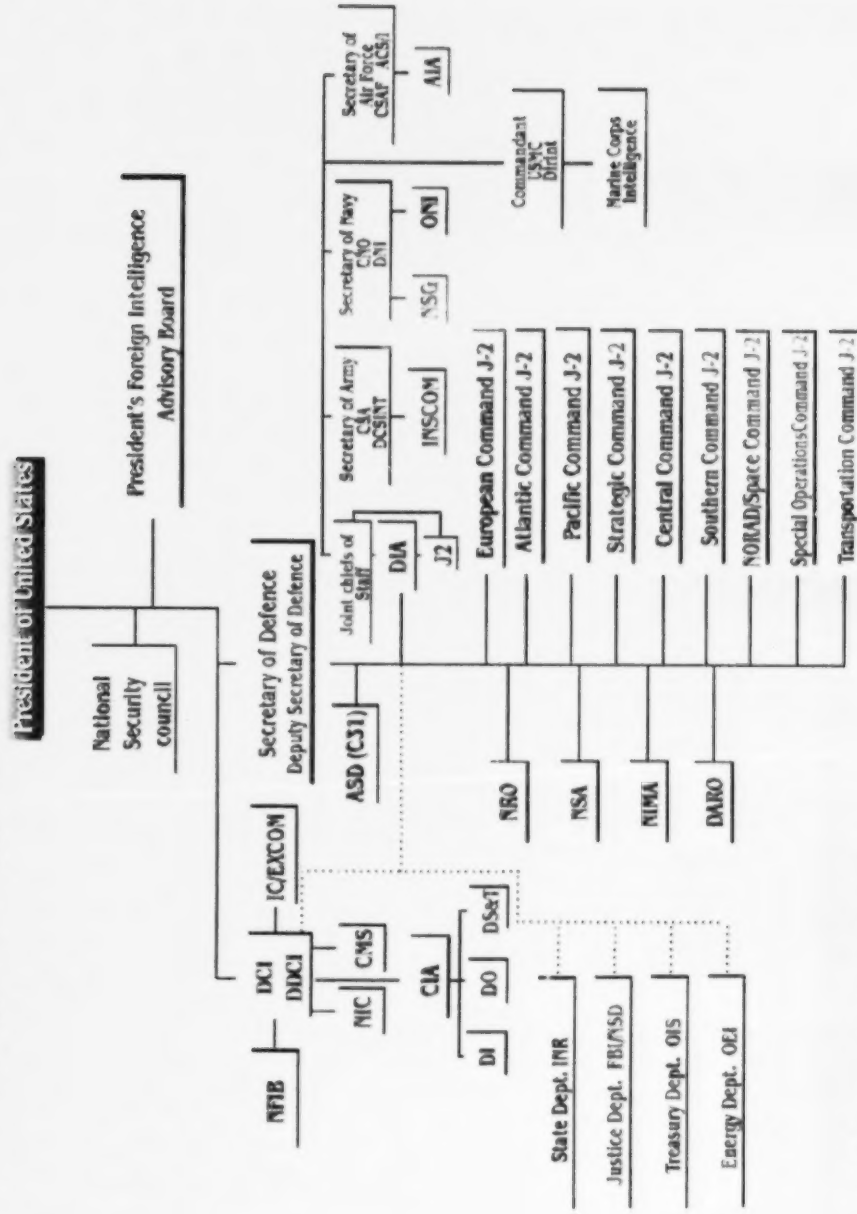
Policing & Security – Global ...



- **governance responses**

- **changing/shifting balance of power - restructuring government enforcement** - movement to integration, consolidation/collaboration
 - **Interpol launches terrorism initiative – an Interpol Terrorism Watch List in April 2002**
 - immediate secure access to information on fugitive and suspected terrorists by Interpol offices and authorized police agencies
 - centralized persons data base of Interpol notices - issued for arrest, location and information
 - to include over 5000 stolen passports reports
 - **European Security and Defense Policy/Police (ESDP) – both military and non-military components**
 - autonomous continental capacity to prevent and respond to crises
 - low to mid intensity - Croatia - local police force exists but needs to be trained and advised
 - high intensity - East Timor - no local police or not in compliance with democratic standards
 - deal with public order situations
 - by January 2003, 500 European police officers to replace UN IPTF mission in Kosovo
 - **US – restructure enforcement/security agencies - improve responsiveness, coordination, accountability**
 - intelligence community - 13 federal organizations, budget of \$30B - "turf-conscious"
 - Department of Justice – restructuring FBI
 - » 4 business lines – criminal investigations, counterintelligence/counter-terrorism, administration, federal/state coordination
 - » simplification of reporting structure - improve communication
 - » "super squad" and Office of Intelligence - increase anti-terrorism capacity, intelligence sharing
 - FBI Reform Act focuses on transparency
 - » DOJ direct oversight body for internal investigations -regular reports to Congress on operations
 - » employee rights - 1989 Whistleblower Act introduced
 - Immigration and Naturalization Service (INS) – separate administrative, enforcement functions
 - » eliminate management layers/ improve field responsiveness - two lines reporting to Commissioner
 - » Bureau of Immigration Enforcement – consolidate border operations, investigations, undocumented immigrants, intelligence functions

- ▶ **US intelligence community** - current structure, including reporting relationships demonstrates
- ▶ **complexity** of the community - the silos between civilian and military intelligence apparatus
- ▶ considering changes that would civilianize the NRA, NSA and the NIMA under the CIA - new reporting structure in which the DCI would integrate all incoming intelligence – both civilian and military – to the President
- ▶ **new funding for security intelligence** community – emphasis on capacity-building



Sources: William Odum, "Modernizing Intelligence", National Institute for Public Policy, Jan 2007

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General Information

Policing & Security – Global ...



- **Australia - overhaul law enforcement environment re 9/11**
 - Australian Federal Police (AFP) assume lead role in terrorist and organized crime investigations – closer to FBI model
 - National Crime Authority merging with Australian Bureau of Criminal Intelligence - reconstituted as Australian Crime Commission with criminal intelligence assessment responsibilities – overseen by a board of senior police officers
 - harmonize state law – allow AFP into state offences “incidental to multi-jurisdictional crime” - expand capacity for listening devices, electronic surveillance and witness anonymity
- **People’s Republic of China - one integrated police force falling under Ministry of Public Security**
 - a policy of developing international relations –liaison officers in Ottawa and Washington
 - working with US, Russia, Canada and UK - 2 major international criminal issues – illegal drug trafficking and illegal transiting of aliens & people smuggling
 - seeking assistance from Canada - training senior managers, intelligence analysts, major crime investigators
- **Hong Kong – part of China, but separate police force**
 - major crime issues relate to banking/money laundering and illegally transiting aliens/people smuggling
- **Thailand – seeking Canadian training assistance for senior police managers, intelligence analysts and major crime investigators**

For generations, military, intelligence and law enforcement agents have played their own game of telephone, with important messages misconstrued or sometimes lost. In many cases, players have been stubbornly unwilling to pass on any information, classified or not. Now, as agencies around the globe scramble to find new, even more elusive enemies and stem terrorist acts before they occur, they’re encouraged to share their most guarded secrets. They are logging on to databases, making contacts overseas and working with colleagues they have traditionally mistrusted

~ Susannah Patton
 “Putting the Pieces Together”
 Darwin Magazine, February 2002

Policing & Security – Global ...



- privatization of policing/security
 - exponential growth of private security industry - concerns about safety and risk increasing preoccupations in western world
 - emerging debates on changing relationship between public/ private policing
 - tensions re the balance/structure of policing - fragmentation and “pluralization” include:
 - private security increasingly occupying “para-police” role – maintenance of social order and crime control
 - “for-profit” policing adopting many of the tactics and functions of the public police, and less distinguishable
 - concepts of “communal” space evolution - private parks, shopping malls - resulting in overlapping roles for state and private policing
 - potentially conflicting objectives between public police - protecting public good, and private police - generating profit
 - internationalization of private policing companies could result in foreign societal values, concepts of justice
 - accountability, oversight measures different for public and private security agencies – lack of standardization
- heightened focus on security and increased integration between national police agencies post-9/11
 - growing need for new collaboration mechanisms between sectors

Policing & Security – Global ...



- **ethics and accountability key drivers of policing models of the future**
 - France – public demand for transparency, legitimacy and the advancement of democratic principles challenging existing national security operations - right to silence in interrogation only recently instituted for terrorist suspects
 - public debate around the creation of a Home Security Ministry to bring both police forces - the Gendarmerie and the Police National under one accountability structure
 - **UK – war over public opinion - tensions rise between police and government**
 - crime rates continue to rise - muggings and robbery have risen by 40% in the last nine months - fewer than 10% of crimes now result in conviction
 - Blair Government intent on significant police reform - police charge failure by politicians to reform the criminal justice system at the root of the escalating crime problem
 - **US – FBI Reform Act introduced to Congress, February 2002**
 - improve accountability by making the Dept of Justice direct oversight body for internal investigations
 - in the past FBI misconduct investigated by FBI Office of Professional Responsibility
 - » requires Attorney General to table reports to Congress on the FBI's programs and status of information management and technology
 - overhauls FBI Senior Executive Service disciplinary procedures
 - allows FBI whistle-blowers the same protection given to other US Federal employees - 1989 Whistle-blower Protection Act
 - provides periodic lie detector examinations for FBI employees and for contractors who access sensitive information

Policing & Security – Global ...



- enhanced oversight - adherence to democratic principles/accountability
 - closer relationships between police and security agencies worldwide tax current civilian oversight capacities
 - national review and oversight bodies remain fragmented, primarily reactive
 - international oversight non-existent
 - independent, complaints-driven review processes the norm – UK, Australia, New Zealand
 - US - multiple levels of oversight (federal, state, municipal) – responsibilities from complaints/ombudsman services to auditing
 - oversight capacity often local level – limited inter-agency communication on trends, common challenges
 - Northern Ireland Policing Board (NIPB) demonstrates more proactive approach – broadening scope and responsibilities of oversight body to include:
 - monitoring police activities, complaints
 - undertaking ongoing review of crime trends and challenges
 - assessment of policies, procedures, administration of police, including human resources development
 - building relationships with public on crime prevention

[the NIPB has been heralded as a new beginning for the police]

There is something quite big happening here – we are actually trying to move a way forward which is out of the past and into the future.

– Dennis Bradley, Vice-Chair, NIPB



Policing & Security – Global ...



– fortifying NA's border security now turning to expanding security zone internationally

- US and Canada - Smart Border Accord
- US and Mexico – 22 point "smart border" agreement
- agreements designed to secure infrastructure, the flow of people and goods, as well as to modernize – key elements :
 - joint border infrastructure survey to identify bottlenecks
 - integrated infrastructure investment - economic competitiveness
 - critical infrastructure security assessments re terrorist attack
 - identification of individuals who pose threats to NA
 - port of entry technology systems facilitate flow of bona-fide travelers
 - coordinate efforts deter smuggling of third-country nationals
 - U.S.-Mexico Advanced Passenger Information exchange system
 - technology systems rapidly exchange customs data
 - expand partnerships with the private sector

• NA command zone – Northern Command or Northcom

- military zone across NA, including Canada, US, Mexico and Caribbean
- military operations report to a single headquarters
- based with NORAD at Peterson Air Force Base (Colorado Springs)

• US homeland security increasingly focused on seaports

- controversial strategy to extend borders at the IMO
- security checks at the top ten foreign ports - exclusive gateways to the US, freezing out smaller, unauthorized ports

Note: National Guard troops deployed to the Northern border until US proposed large increases in border personnel in place

US Border Security Bill, May 02

- requires biometric data to be included on foreign visas / passports
- increases border security technology funding
- raise number border and port inspectors
- allow access to passenger manifests (planes, ships) by US authorities

➤ **US scheme for seaport security would change the trade routes of the world, affecting thousands of companies and global supply chains as well as the focus of security operations globally**

Policing & Security – Global ...



- investment in infrastructure and supporting tools
 - US – focus on building information capacity/interoperability
 - Sharing/using information technology to enhance security – federal, state and local governments
 - FBI given \$417 million for new computer/data system expected to be operational by early 2003
 - » based on computer experts of the Mormon Church who oversee a vast genealogy data bank – Mormons helping FBI developing name recognition programs
 - » provide investigators with suspect's using multiple names and change identity
 - pilot project to breakdown information barriers – the Overseas Presence Interagency Collaboration/Knowledge Management System – May 2002
 - » overseas offices of 9 federal agencies share data from interoperable IT platform
 - » interoperable e-mail, inter-agency directories, real-time video-conferencing, shared capabilities
- gaps and pressure points
 - knowledge gap
 - despite \$30-50B intelligence budget in US - limited investment in understanding "new adversaries"
 - more diffuse, more difficult to identify, and large ethnic, political and ideological gaps
 - human resource pressure points
 - advancing skill requirements/ shortages, high work stress, work satisfaction, pay and ethics are key
 - » Case 1: NASA - over 60% of workforce eligible for retirement; large proportion in specialized, compartmentalized technical/scientific R&D; key challenge - retain and integrate lessons learned – multi-generational projects - interplanetary exploration - decades-long knowledge development
 - » Case 2: National Border Patrol Council Union estimates 1 in 4 INS Border Patrol agents leave low pay/poor satisfaction job to sky marshal positions in new Transportation Security Administration
 - competition for law enforcement/security personnel among organizations with overlapping objectives/mandates

Policing & Security – Canada



- **national security**

- Canada seen by some as an **access point for terrorism** directed at US
- terrorists enter Canada - alleged porous refugee system - settle in a safe-house, contribute to organization/cell in several ways
 - providing functional support - forging documents, etc.
 - political lobbying and mounting public campaigns to promote their cause
 - » fund-raising –community events/meetings - through illegal means such as drug trafficking and theft
 - » identifying and targeting new recruits
 - » operations – using Canada as a staging ground for terrorist operations - Air India, Ahmed Ressam
 - pressure campaigns against adversaries - working to silence those who hinder their operations

[in relation to the suggestion that Canada is a safe haven for terrorists] This suggestion is totally without foundation, I have said, as is true of every western democracy including, again, the United States, that some see Canada as a safe haven, some actually seek to find safe haven here, and some may achieve it. I, therefore, also said to the Special Committee that we will maintain our vigilance so as to ensure that terrorists will be prevented from entering Canada, or, if successful, will be identified so that they can be removed.

In a letter to Lamar S. Smith, Chairman, Immigration and Claims Subcommittee, U.S. House of Representatives, January 24, 2000
-Ward Elcock, Director of CSIS,

- **key challenges/gaps to Canada's role in hemispheric security**

- **development of a comprehensive, consolidated national security policy in Canada**
 - defining Canada's role/responsibility re domestic continental and global security - addressing Canada's "real" role as a potential staging ground/access point
 - integrating a national/continental security policy framework of foreign policy objectives
 - » promotion of prosperity and employment
 - » protection of domestic security, within a stable global framework
 - » protection of Canadian values and culture

Policing & Security – Canada ...



- determining “right” balance between national sovereignty and integrated, continental security framework
 - creation of an NA security zone raises many complex issues - impact of/on:
 - » military co-operation with US on Canada's claim to jurisdiction in the Arctic
 - » Canada's adherence to a host of international treaties
 - » Canada's ability to play a leadership role in multilateral organisations like the UN
 - » how unique Canadian values will be manifested in policy

This draft report explores important issues and poses complicated questions – questions of sovereignty, about how we define our borders and secure our values. There are choices to be made, but this can only happen in an atmosphere of informed, determined and honest dialogue ... a move to closer military co-operation – including the possibility of a US-led integrated command – would dramatically reshape fundamental aspects of Canadian sovereignty, identity and foreign policy.

–Dr. Lloyd Axworthy, CEO of the Liu Centre for the Study of Global Issues of UBC and Professor Michael Byers, Duke University on the release of the Draft Report, *Canadian Armed Forces Under U.S. Command*, April 2002

- “intelligence challenge” - terrorist organizations increasingly sophisticated, technologized, educated and security-conscious
 - terrorism doesn't fit neatly into legal framework and processes
 - » potential terrorists are not yet “criminal” – difficult to pursue and prosecute
 - understanding how cells operate - al-Qaeda has not been destroyed – its diffuse organizational structure means it has likely changed shape
 - foreign-gathered intelligence – less reliable information and/or less palatable practices of foreign intelligence agencies (e.g. torture tactics)
 - ensuring balance – ensuring counter-terrorism operations do not jeopardize international and domestic operations and intelligence-gathering already underway

- **need to invest more in qualitative aspects of surveillance vs. traditional quantitative approach to intelligence gathering - numbers of people and groups in Canada under surveillance from day to day**

Policing & Security – Canada ...



- **emerging and/or consolidating crime trends**
 - organized crime – increasingly linked to international terrorism
 - continues to be main public safety threat
 - drug trafficking key tool for financing criminal operations – cocaine, marijuana, heroin trafficking and manufacture of synthetic drugs
 - technological infrastructure, networks exploited by organized crime enterprises
 - credit, debit card frauds, Internet scams – cyber-crime paralleling growth of e-business
 - tele-fraud particularly common among East European groups – over 75% targeted toward seniors
 - illegal migrant smuggling, human trafficking serious crime issues – particularly Pacific Rim countries
 - trafficking helping to support sex trade – sexual exploitation of children a sustained challenge
 - Canada continues to be seen as an entry point of for illegal migrants entering US
- **outlaw motorcycle gangs are key component of organized crime**
 - Hells Angels the largest, most active group in Canada
 - key threat - use of violence, assault, extortion to promote criminal activities - tobacco, alcohol, firearms, drug smuggling, distribution

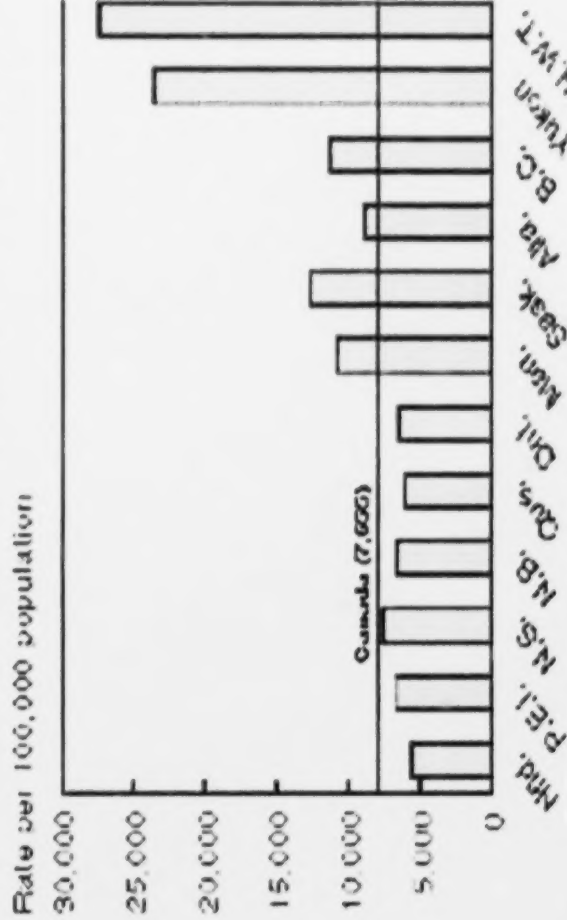
- use of so-called “club drugs” and “designer” drugs such as Ecstasy is on the rise across North America
 - in 1996, 1,000 Ecstasy pills were seized at Canada’s borders
 - by 2000, this number had risen to 1.5M
 - traffic movement in both directions across Canada-US border
- manufacturing, distributing designer club drugs a growing concern
 - at present, production and distribution are illegal, but Canada does not regulate or control sale of many of the ingredients required to concoct “club drugs”

Policing & Security – Canada ...



- expanding urban populations leading to rise in crime
 - potential causes - increased cultural tension and marginalization of some groups
 - attacks against persons on the rise – hate crimes could accompany continued urban diversification
 - rise in street gangs in urban centres - but even some growth in isolated communities - youth looking for a “way out”
 - critical rise in street gang violence, including homicide in BC (Vancouver)
 - drugs and drug-related violence remains a key threat, particularly in urban centres

Crime rates by province and territory, 2000



- Saskatchewan registered highest among provinces for third consecutive year
 - over 12,000 criminal incidents for every 100,000 persons
- rates were significantly higher in the Territories
 - levels of 20,000 to 30,000 per 100,000

Source - Statistics Canada, The Daily, July 19 2001

Policing & Security - Canada ...



- **Canada's Youth Criminal Justice Act - new challenges for criminal justice community**
 - continued urbanization - increased potential marginalization of socio-economic groups - new "pools" of potential at-risk youth
 - early intervention - crime prevention strategies key component - will raise expectations for early intervention/diversion in community crime prevention program
 - growing need to improve youth crime reporting
 - key challenges - encouraging young people to self-identify when they are a victim of crime

➤ **crime in Canada's isolated northern communities continues to outpace national averages**

- overall crime rate- 3 times national average
- violent crime - 5 times national average
- rate of sexual assaults - 6 times national average

➤ **underdevelopment, long-standing societal challenges - drug, alcohol dependence - root of the problem**

- northern rural areas - 300% the national average of the violent incidents against RCMP members - 77% involve alcohol
- population growth, increased economic activity - strengthen current trends

Policing & Security – Canada ...



- **governance responses**
 - increasing horizontality and integration
 - more responsive security approach for globalized, technologized, terrorized world
 - Canada/US customs forming integrated teams at Vancouver, Montreal, Halifax ports
 - shipping containers important target
 - prevent use of shipping containers to transport/import terrorists, weapons of mass destruction
 - » improve inter-agency intelligence-sharing
 - » Scrutinize passenger and cargo manifests to target high-risk shipments for inspection
 - » “one-stop shopping” inspection for all of North America - over 500,000 containers shipped to US from Canada each year – also attractive to shipping companies, reducing time spent in transit
 - horizontal initiatives funded in federal budget
 - » CBRN, marine security, airport security
 - North American Linkages project – horizontal policy research initiative of federal government
 - » a collaborative, forward-looking knowledge agenda around public safety and security threats
 - Ontario creates new Ministry of Public Safety and Security – combining Ministry of the Solicitor General and Ministry of Correctional Services

In a world that is more globalized, technologized and “terrorized”, we need a new approach to security and law enforcement that necessitates co-operation at all levels. This is what I mean by “global alliance” – integrated policing at its best, where we’re connected by technology, by human resources, by financial capital...and we’re all working towards common priorities.

–Giuliano Zaccardelli, Commissioner of the RCMP
Address to the OACP/Rotman Executive Forum, April 26, 2002



Royal Canadian
Mounted Police
Gendarmerie royale
du Canada

Policing & Security – Canada ...



- RCMP developing leadership in integrated policing
 - comprehensive strategies required - integrated agencies and networks, enhanced skills
 - course for comprehensive response include:
 - collection/consolidation/analysis/dissemination of criminal intelligence and risk/threats analysis
 - » joint implementation of threat assessment tools - identify shared priorities, common targets
 - » strategic leveraging of resources - all levels and partners
 - » coordinated investigative, enforcement activities - domestic and global law enforcement community
 - strengthening fragmented policing environment - key vulnerabilities:
 - » leadership gap - integrating criminal intelligence, co-ordinated law enforcement
 - » strategic targeting - few shared priorities
 - » investment - technological, skills, research - lack of mechanism to leverage investments across agencies and departments
 - » occurrence management systems - few interfaces between agencies
 - significant joint activities - across policing, security community
 - » national standards for protective, investigative, enforcement roles
 - » shared approaches to recruitment, training
 - » integrated response to national security -broad-based overview/co-ordination function to ensure
 - ethics/values based policing focus
 - » public confidence and trust in policing – ensuring high public approval in new risk environment
 - » key pillars - transparency, accountability, enhanced citizen oversight, accessibility, implementation of effective policing strategies



Policing & Security – Canada ...



- re-focusing strategic priority on terrorist threat while leveraging organized crime capacity
 - post-September 11 funding to national security will serve the dual purpose of helping to combat organized crime
 - » focus on intelligence and investigation capacity
 - » investment in technology – upgraded technology and information management systems – more information, better analysis and the capacity to share securely
 - » integrated teams – greater coordination and collaboration among Canada's law enforcement agencies and with international partners
- **privatization a growing issue**
 - significant growth of private security industry
 - current ratio of private security employees to public police is reported to be 3 to 1
 - predictions that Canadian security sector could grow to American model where armed private security outnumber police by 8 to 1
 - assuming responsibilities that place them in situations of some control over the public – quasi policing services in both low-income and affluent neighborhoods
 - regulation of private security is a provincial jurisdiction:
 - » lack of enforceable, harmonized standard framework across the country, insufficient resources to enforce existing standards
 - little attention paid to policy questions raised by private security

The coexistence and competition at times between publicly funded forces and private firms is not unique to the security field. However, the public-private divide in the world of security presents particular challenges: will the private sector provide security in a way that is compatible with our values of equality and human dignity in a democratic society? How can we be sure? Is the current division of labour between public police and private security the best way to provide policing? These questions must be asked, at a time when we are increasingly concerned about security.

*In Search of Security:
The Roles of Public Police
and Private Agencies
Law Commission of Canada*



Royal Canadian Mounted Police
Gendarmerie royale
du Canada

Policing & Security – Canada ...



- enhanced oversight and monitoring by legal and civil liberties community - in response to counter-terrorism legislation
 - potential risks to democratic and civil rights:
 - new legislation may impact public protest/public order under a broad definition of terrorism
 - impact to groups targeted as high-risk - religious/political "profiles"
 - preventive detention and surveillance - "reasonableness" parameters
 - legal community analysts - ensuring an appropriate balance between rights and security, and maintaining transparency and public confidence, requires:
 - effective and independent oversight on an ongoing, proactive basis - Ontario
 - comprehensive capacity for review needs across the security community
 - effective and extensive training of practitioners – from front-line officers to oversight bodies – on issues of implementation, interpretation and methods of ensuring individual rights



Policing & Security - Canada ...

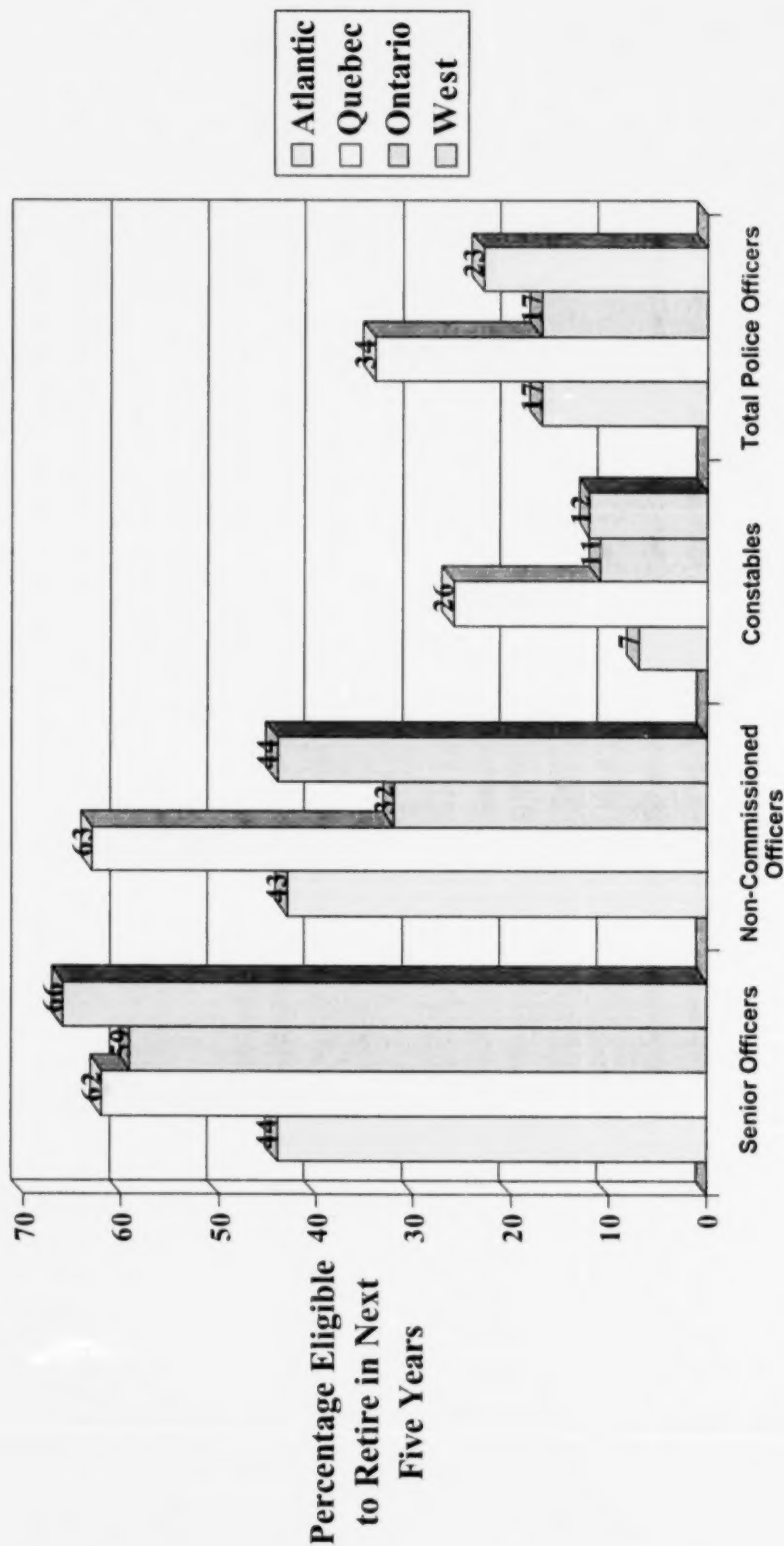


- **police demographics**

- Canadian Police Association and Canadian Association of Chiefs of Police release **strategic human resources analysis** of public policing in Canada - 5 priorities identified:
 - attracting next generation of police personnel
 - increasing efficiencies across the policing sector - decreasing jurisdictional barriers
 - improving human resource planning capacity
 - improving labour/management relations
 - review of funding and resources
- police forces across Canada to experience **unprecedented turnover**
 - in 5 years - 25% of officers, 60% of senior officers, 43% of non-commissioned officers - eligible to retire
 - about 2,000 officers - 4% of sworn officer complement - to retire annually for several years
 - western Canada has highest percentage of senior officers (66%) eligible for retirement in 5 years
 - civilian personnel - retirement eligibility highest among management professionals (19%)
- **percentage of females in policing is on the rise**
 - by 1999, females made up 13% of all sworn officers - an increase of 9% since 1986
 - smallest increase in senior officer (.2 to 2.8%) - largest in constable (5.4 to 16.2%)
 - upward trend is predicted to continue
 - more women seeking careers in law enforcement and majority of retiring officers are male
- **percentage of Aboriginal and visible minority officers remains small**
- police population increasingly educated - about 2/3 have some post-secondary education
- **Canadian police forces facing demographic challenges similar to other sectors**
- **diversity in police population lagging behind Canadian population**
 - will be exacerbated with growing Aboriginal youth population and increased immigration



Sworn Officer Retirement Eligibility by Region



Source: PWC Survey

Appendix A – Provincial Demographics



• British Columbia

- 2001 population at 3,907,738 – a 4.9% increase from 1996
- 2.7 million people or over 2/3 of B.C.'s population live in Lower Mainland and south Vancouver Island
 - Lower Mainland grew by 8.3% - most attributable to international immigration
 - South Vancouver Island saw a growth rate of 2.7% – due to internal migration

- Whistler's growth rate slowed from a whopping 61% to 24% since the last census period
- only other growth occurred in Okanagan Valley and Kamloops vicinity
- losing population in northern, resource-based rural communities

• The North

- Yukon and NWT experience significant declines in population
 - supply of core-age workers (24 - 45) is experiencing first-recorded decline
 - local action to attract workers from elsewhere – immigration viewed as potential source

- Nunavut's growth rate is more than double country as a whole

- high birth rate among Inuit population and development in the capital city account for growth
- Iqaluit grew by 24.1%
- predominantly Aboriginal (including Inuit) and also very young
 - under 14 age group is 38% of population in Nunavut and 23% in NWT

NOTE: At the time of printing, limited information from Census 2001 was available for some parts of the country and some segments of the population, e.g. youth, immigrants, Aboriginal.

Population change since 1996 Census		
Yukon	28,674	-6.8%
N.W.T.	37,360	-5.8%
Nunavut	26,745	+8.1%

Appendix A – Provincial Demographics ...



• Alberta

- **10.3% growth in Alberta is attributable primarily to internal migration**
 - net inter-provincial migration in first six months of 2001 reached 12,486 – main sources: B.C., Saskatchewan and Ontario
- **2.15 million people or 72% of total population live in Calgary-Edmonton corridor**
 - Calgary's- strongest growth among Canada's 27 Census Metropolitan areas
 - corridor contains 6 of Canada's 25 fastest growing municipalities
 - highest growth rates - Cochrane (58.9%), Sylvan Lake (44.5%), Strathmore (43.5%), Okotoks (36.8%)
- **younger on average than the rest of Canada**
 - by 2006, number of aboriginal youth aged 15-24 will be larger component of population growth than inter-provincial migration
- **aging population still an issue**
 - by 2016 - number of seniors will increase to around 493 000, or 14% of population
 - by 2026 - expected to be 700 000, or 20% of population
- **4th most popular destination for newcomers to Canada – total immigrant population is about 15%**

Population change since 1996 Census

Alberta	2,974,807	+10.3%
Sask.	978,933	-1.1%
Manitoba	1,119,583	+0.5%

Appendix A – Provincial Demographics ...



• Saskatchewan

- population declined by 1.1% since 1996
 - projections indicate a continued decrease over next 25 years due to migration to other provinces
- high proportion of seniors – 15% of the province's population
- 21.2% is now under 14 years of age
 - Saskatchewan has more youth appearing in court than any other province - 941 court cases for every 10,000 youths in last fiscal year
- Regina and Saskatoon experience "donut effect" as population concentrates around two centres

- core Saskatoon population increased 1.6% – surrounding area increased 14.6%
- core Regina population dropped 1.2% – surrounding area increased 10%

• Manitoba

- experienced minor growth – 0.5%

- 21% are between 0-14 years of age and of that 20% are Aboriginal
- 66% are between 15-64 years of age and of that 10% are Aboriginal – noticeably higher percentage of people approaching the upper age limits
- 13% are 65 years of age and over and of that 3.0% are Aboriginal
 - more and more seniors becoming targets and victims of telemarketing and investment frauds
- 12% are foreign born
 - Filipinos, South Asian and Chinese make up the fastest growing immigrant communities, at approximately 34%, 16%, and 16% respectively
- 12% are Aboriginal – a ratio which is higher than any other province
 - expected to increase to 17% of population over the next 15-20 years
 - approximately 38% of Aboriginal community live on reserve and of those, approximately 50% are part of the labour force
 - unemployment expected to increase as the Aboriginal youth move into the labour force

Appendix A – Provincial Demographics ...



• Ontario

- Canada's most populous province at 11,410,046
 - 6.1% growth since 1996
 - growth attributable primarily to international immigration – nearly .5 million immigrants settled in Toronto during 5 year period
- almost 50% of Canada's total population growth took place in what Statistics Canada calls the "extended Golden Horseshoe"
 - increase of 9.2% – 6.7 million people or 59% of Ontario's population
- 3 of top 10 and 6 of top 25 fastest growing centres
 - Vaughan (37.3%) , Richmond Hill, Barrie + Markham, Brampton, and Caledon
- population draining out of northern, resource-dependent, rural areas
 - Sudbury's population dropped by 6% and Thunder Bay's by 3.7%

• Quebec

- total population at 7,237,479
- 3.7 million or 52% of population resides in Montreal and environs – a 2.8% increase
 - attracted fewer immigrants than other large urban regions (126,000)
 - experienced a net outflow to other parts of Canada
- 4 of top 25 fastest growing centres are in this region
 - Notre-Dame-de-L'Île-Perrot, Blainville, Mirabel and Saint-Colomb
- population declined slightly on average in the remainder of province

Appendix A - Provincial Demographics ...



- **The Atlantic Provinces**
 - Newfoundland and Labrador - 2nd consecutive decline
 - only province to experience drop in urban population
 - with 33.7% of the population, decline in St. John's was lower than in other urban and rural areas
 - Nova Scotia and New Brunswick - both experiencing slight declines in population
 - PEI - only province to record minor growth

Population change since 1996 Census

Nfld./Lab.	512,930	-7%
P.E.I.	135,294	+0.5%
N.S.	908,007	-0.1%
N.B.	729,498	-1.2%

Appendix B - Legislative Overview



- Anderson proposes legislation to protect Canada's endangered species - February 2001
 - Environment Minister David Anderson introduces legislation that will:
 - create a body to determine the status of endangered species in Canada
 - prohibit the killing of extirpated, endangered, or threatened species
 - prohibit the destruction of the critical habitat of a listed wildlife species anywhere in Canada
 - similar legislation has been proposed in the past (C-33, C-65) - both died on the order paper
 - would be the first legislation of this kind in Canada
- New Youth Law passed - February 2002
 - Youth Criminal Justice Act repealed and replaced the Young Offenders Act (YOA)
 - seeks to incorporate recommendations set out in *A Strategy for the Renewal of Youth Justice* (1998) and *Renewing Youth Justice* (1997)
 - a refined the Declaration of Principle to emphasize rehabilitation and the needs of the child
 - makes it easier for the Provinces to use the presumptive application of adult sentences to persons under 16
 - greater flexibility in custodial sentencing
 - received royal assent in February, 2001 - coming into force date to be announced
- Bill C-55 *The Public Safety Act*, 2002
 - legislation proposed by Transport Minister David Collenette - replaces proposed Bill C-42
 - proposes changes to a number of existing Acts and the enactment of the *Biological and Toxin Weapons Convention* including:
 - amendments to the *Aeronautics Act* to allow the Minister to make emergency directions *in order* to provide an immediate response to situations involving aviation security
 - amendments to the *Criminal Code* to create an offence of communicating information *or committing* any act that is likely to lead others to falsely believe that terrorist activity is occurring, with the *intention* of causing persons to fear death, bodily harm, substantial damage to property or serious interference *with* the lawful use or operation of property
 - currently being debated in the House of Commons

Appendix C - Acronyms



AFP - Australian Federal Police	FBI - Federal Bureau of Investigation
AIA - Air Force Intelligence Agency	FTA - Free Trade Agreement
AIDS - Acquired Immune Deficiency Syndrome	FTAA - Free Trade Area of the Americas
ALF - Animal Liberation Front	GDP - Gross Domestic Product
APR - Africa's Personal Representative	HIV - Human Immunodeficiency Virus
ASD (C31) - Assistant Secretary of Defense for Command, Control, Communications and Intelligence	IAEA - International Atomic Energy Agency
CBRN - Chemical, Biological, Radiological and Nuclear	IC/EXCOM - Intelligence Community Executive Committee
CIA - Central Intelligence Agency	IFCC - Internet Fraud Complaint Center
CMA - Canadian Medical Association	ILO - International Labour Organization
CMS - Community Management Staff	IMF - International Monetary Fund
CSI - Computer Security Institute	IMO - International Maritime Organization
CSIS - Canadian Security Intelligence Service	INS - Immigration and Naturalization Service
DARO - Defense Airborne Reconnaissance Office	INSCOM - Intelligence and Security Command
DCI/DDCI - Director of Central Intelligence / Deputy Director of Central Intelligence	IT - Information Technology
DDOS - Distributed Denial of Service	J2 - Joint Staff Intelligence
DI - Directorate of Intelligence (CIA)	KBSE - Knowledge Based Society and Economy
DIA - Defense Intelligence Agency	KM - Knowledge Management
DNA - Deoxyribonucleic Acid	MEM - Multilateral Evaluation Mechanism
DO - Directorate of Operations (CIA)	NA - North America[n]
DOJ - Department of Justice	NAFTA - North American Free Trade Agreement
DS&T - Directorate of Science and Technology (CIA)	NASA - North American Space Agency
ELF - Earth Liberation Front	NEPAD - New Partnership for Africa's Development
ESDP - European Security and Defense Policy/Police	NFIB - National Foreign Intelligence Board
EU - European Union	NGO - Non-Governmental Organization
	NIC - National Intelligence Council
	NIMA - National Imagery and Mapping Agency
	NIPB - Northern Ireland Policing Board



Appendix C - Acronyms



NOAA - National Oceanic and Atmospheric Administration
NORAD - North American Aerospace Defense Command
NRM - New Religious Movements
NRO - National Reconnaissance Office
NSA - National Security Agency
NSG - Naval Security Group
NW3C - National White Collar Crime Centre
OACP - Ontario Association of Chiefs of Police
OAS - Organization of American States
OECD - Organization for Economic Cooperation and Development
ONI - Office of Naval Intelligence
PCBs - Polychlorinated biphenyls
PSC - Public Service Commission
PSR - Potential Support Ratio
R&D - Research and Development
RCMP - Royal Canadian Mounted Police
ROI - Return on Investment
RUF - Revolutionary United Front
UK - United Kingdom
UN - United Nations

UN IPTF - United Nations International Police Task Force
UNDCP - United Nations International Drug Control Program
UNITA - *Union Nacional para la Independencia Total de Angola*
 (National Union for the Total Independence of Angola)
US - United States
US SEC - United States Security and Exchange Commission
UV - Ultra Violet Light
WTO - World Trade Organisation

